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ON POLITICAL STABILITY

I

THE French and Russian Revolutions seemed cataclysmic to their contemporaries. They appeared like the end of the world to some, like the beginning of the millennium to others. Each was heralded by a long line of Messianic prophets who, in the name of reason and science, promised to remodel this stubborn earth of ours into a paradise, and to fit man to inhabit it.

Each of these destructive spasms took place in an agricultural country governed by an all-powerful monarchy, hoary with age, and exalted by tradition. The King of France and the Tsar of all the Russias had no rivals inside of their own dominions, and admitted no superiors beyond their borders. Their power was as absolute as centuries of unrestrained rule could make it. The power and munificence of the King and the splendor of his entourage attracted all men's eyes. Mortal man's chief ambition was to get as close as possible to the King, the center from which all visible good derived. That was where the power lay. The rest was a void—barren even in the more delicate graces; for art, literature, philosophy, music, architecture and religion found sustenance and nourishment in the environs of the King and his court. The grand ministers lived by the will of the King, while writers, poets, artists and musicians got their living by flattering the powerful ministers or their minions. Churchmen, great and small, found promotion and good living by the same route.

Viewed from the outside, these two monarchies seemed stable and secure. They had lasted for centuries. The wills of most men seemed entwined in loyalty and devotion to the reigning monarch. Yet when the crisis came the power of the crowns of

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France and Russia vanished overnight. The mighty King of France and his beautiful wife were dragged to the guillotine and publicly beheaded to the delight of a howling mob. The Little Father of all the Russias and his immediate family were murdered one early dawn by a firing squad at the command of a handful of unknown men. In each instance the court vanished, the men and women who had crowded it in their pomp and pride and who had filled its halls with their vanities and foppery fled, if they could, to strange lands to save their lives, or suffered like their masters an inglorious and sudden death. The King's castles, so strong, so old, so well adorned, toppled down as if in a dream, and crushed all that were in them.

The collapse of these mighty monarchies revealed what all men should have known: that the power they wielded rested upon a vacuum, and that the stronger they seemed, the more fragile they were. What these monarchial tragedies set forth for the world to see was that centralized government is its own greatest enemy, that the more absolute it becomes the less resiliency it possesses, and that its very power is its final undoing. The steps by which a government becomes all-mighty mark the path toward its own destruction.

II

In contrast to France and Russia no convulsive revolution has transformed the governments of England and the United States. Since the Tudors, England has changed from a little nation to a great empire, from a poor agricultural country to become for more than a century the industrial leader of the world, from a government with a narrow suffrage to one based on the mass of the people, from an administration dominated by an aristocracy to one ruled by the middle and working classes. Every possible fortune, good and evil, has crowded those years and yet its political constitution—a King in Parliament—has absorbed all of these changes without convulsion.

Similarly the United States has, since the eighteenth century, grown from a slim agricultural colony to the leading industrial power of our time, from a population mainly British in origin to one compounded by 40 million immigrants from all parts of the globe. In its short history it has spanned the continent, fought a bitter Civil War, two world wars that imposed great strain on

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American institutions and yet the government devised at the beginning has survived without revolution.

The explanation for this political miracle in England and the United States is to be found in the strength of local parish and township government and in the representative and federative principles which they imposed[1]—in fact even if not always in law. Self-government in little places has provided England and the United States with the habits that have sustained political stability and institutional plasticity at the same time.

In England the continuance of Parliament prevented the break between the people and crown which proved fatal to the French monarch and the Russian Tsar, for Parliament provided a continuing identity between the officers of local and central government. Parliament could praise the King and at the same time criticize and punish his ministers. In an extreme case it brought the King himself to boot without in the end, as seen by the Restoration and the revolution of 1688, changing the monarchial principle. Even during the Commonwealth, Cromwell tried repeatedly to reproduce the similitude of the traditional model, "the King in Parliament", an executive bound by an elected House of Commons and a House of Lords.

Important is the continuance of the principle of community representation, for what was represented in Parliament was the community—that is, the communities of England. Parliament evidenced the vitality of local government. Members locally known and respected were sent up by localities. Even if a "carpetbagger" intruded he required the good will of locally influential families. In the end, Parliament preserved the British crown. It could do so only because it rested upon the local community. The House of Commons consisted of members chosen by shire and borough and usually experienced in local government. The shire as well as the borough was a sort of federation of smaller autonomous governments ruled by juries in a court of justice in which most people found some participation—including bishops, earls, barons, knights, yeomen, copyholders and householders. Representation in Parliament proved effective through the centuries because Parliament stood to the nation much as Quarter Sessions stood to the county.

[1] The social mobility so important in English political and social history is itself a by-product of its local government and its impact upon social structure.

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If the survival of the county court, the borough corporation, the parish and many other autonomous units of local administration saved Parliament, the Parliament in turn preserved the crown. In time, the crown as a symbol of authority sanctioned the competition between the political factions loosely identified as Whigs and Tories for the privilege to be first to serve the King, for they would all serve him. But for the King to act as umpire, to recognize the new servants of the crown picked by an uncoerced Parliament, to receive the Prime Minister chosen by a majority, he first had to achieve a place above the political battle. The King could consciously play the rôle of umpire only after he ceased to have the controlling influence in shaping the outcome of a dispute between the factions in Parliament for the organization of the King's government. The crown became increasingly secure as the King ceased to have a choice over his own most faithful first servant. His Prime Minister was selected by the majority in the House of Commons. But the House of Commons was but part of a system which contained the House of Lords and the King as well. There could be no government except as there was a "King in Parliament". The King became the symbol of the political stability represented by Parliament whose members were sent up by autonomous local governments organized as communities through their own Quarter Sessions, justices of the peace and innumerable juries.

In England, therefore, the crown became symbolic and decorative, while effective power had long been with Parliament. The control of Parliament has, at least since Queen Anne's time, been divided between opposing factions coalesced as parties, and the ability of one to govern was always precarious and limited by the reluctant consent of the other. The notable feature of the English parliamentary system is Her Majesty's loyal opposition. The opposition was loyal, but none the less real, for it would take over the government, while the party in office was equally bent to carry on with the administration. The ultimate arbiter was not the monarch but a possible election. The election, even in the unreformed Parliament, illustrated where the real political strength lay—in the borough, the county, with their multiple and complex forms of autonomous governments.

The power to decide which party would take over the government was in the hands of great and lesser lords, the barons, gentlemen, yeomen and the corporation of the parliamentary

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boroughs. The electorate determined the choice of members to Parliament even in the corrupt days of George III and the faction in power had to use the government's money, the prospect of pensions, sinecures and contracts, to keep its parliamentary majority, which in a crisis might shift from one faction to another. The real threat to the administration in power lay with the electorate.

The crown was the ruling symbol of all factions, and the King sanctioned the transfer of office after it had been decided upon. The King was safe and secure because he had great influence but no strength. He could give legal sanction to the new government but had not the strength to change the decision once it had been made.[2]

Parliament was strong because the faction in office was weak—too weak to destroy its opposition. The opposition was strong only as long as it was out of office; for, once in office, it might lose its place at the behest of those who had made it strong for the moment—the county and the borough.

Enduring political power needs to be built upon the locality as the prime unit, and it matters relatively little whether it is controlled by a great lord, a little lord, a knight, many yeomen, or a few burghers in a town. It matters relatively little in the political destiny of nations whether the suffrage is wide or restricted or whether the knights and lords of the shire are such by inheritance and tradition rather than by formal constitutional sanction. What does matter is that the shires and boroughs are competent to assert their views and maintain them through

[2] The distinction between power and strength is important; strength is structural, power is functional, and they are not necessarily related to, dependent upon, or derived from one another. A grown man is much stronger than a small boy, but his power over the boy is not equal to his strength. His power is limited by restraints over which he has no control—the opinion of his friends, the police, his own ethical and religious beliefs, his affections and his own bringing up. Another illustration might be drawn from the international field. The United States is very much stronger than Canada, but American power to control Canadian policy is limited by public opinion at home and abroad, by the non-imperialist sentiments of the American people, by the existence of the Commonwealth, the United Nations, and so on. An institution may have great strength but little power. A modern insurance company, for example, has great strength but no power; or a nation may have great power and little strength: Egypt at the present instance in relation to England and France, or in an individual case Ghandi in comparison with the British Empire.

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their own chosen leaders. If the locality is not strong enough to maintain its leaders against the King, the central government, or the dominant party, it has no political influence in the end. This is the substance of political power.

But the grounds for this loyalty to the local leaders—the Hampdens, for instance—is that they are known as true spokesmen of the community. How they are chosen is of little importance. If they cease to be genuine spokesmen of their district, the right to representation as well as local political strength will pass away in time.

The English crown, therefore, was stable when the other crowns of Europe were toppled from their thrones because the King had influence but no strength, because the administration was temporary and the opposition was ready to replace it in office. But the opposition was certain of its own strength only before it became the government, for as soon as it took office it was forced to meet the challenge of the faction it had replaced. The real political strength of the nation lay not in the King, the group in power or the opposition. It was in the borough and in the county and these would, when the crisis came, decide where they would temporarily deposit their support. This made the crown secure and honorable, the group in office competent to govern as long as the rules of the game kept the opposition from overthrowing it and the next election could be staved off.

III

If in the United States the system seems different, it is only a varying example of the same instance: that the central government is secure as long as it is weak, that the party in power is unified as long as it has a strong opposition, and the opposition is strong only as long as it can count upon the consent in township, county, city and state.

Obviously the basic source of political power in the United States does not rest in the presidency. Nor is it to be found in Congress, or in the political parties, Democratic or Republican. The power is now and has long been in the hands of the local political machine. It is the local Republican or Democratic machines in their different cities, counties and townships that decide who the members of Congress are to be, and whom they will nominate for the presidency. The Republican and Demo-

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cratic parties in convention are gatherings of local chieftains, each sovereign in his own domain, and they must all be reconciled, flattered, pleased and propitiated by the promise of patronage, favor and place. For they decide whom they will nominate for the presidency and for Congress.

If the President is to have a peaceful administration he must conciliate the local machine. The Hague machine can be independent of the White House, but the President requires its support for a reëlection, for continuing party control in Congress, and for the vote which will write his program into law. The President has never been able to count upon a pliant Congress because he does not control it. Congress is not his creature. It is the creature of the local machine, and even if the machine is noticeably fallible, the fact that it is local has saved the United States from such growth of executive power as would have made it possible for the President to change the government and impose his will upon the nation.

What has saved the presidency from a possible conversion to a tyranny has been its weakness. The battle over the enlargement of the Supreme Court, the struggle under Wilson over the League of Nations, the present argument over foreign policy, all illustrate the point. The presidency is dependent upon Congress and Congress upon the locality, and that has made the American government one of the stablest in the modern world. The presidency is stable because there are always enough Democrats to help the Republicans defeat a Republican president, and there are always enough Republicans to help the Democrats defeat a Democratic president. But the Republican and Democratic parties have survival value just because they too are weak, because they are not centralized, efficient, integrated bodies. They are coagulations of unstable loyalties, depending upon the whim and need of the local machine. And the city or county machine must measurably represent local needs, or in the end succumb to its rivals inside or outside the party. That is the brunt of the matter.

The vigilance we are admonished to exercise for our liberties is to be read primarily at the parish and township level so that the local interest may be represented and listened to at every step above it, for political stability depends upon the parish making itself heard. The United States, like Great Britain, escaped revolution during the last two centuries because the

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central government has been politically weak and local government politically strong. The weak political party has given stability to the government because it has periodically to fall back upon a renewal of consent at the ward and township level. The municipal and county political machine has protected the United States against both "efficiency" and dictatorship.

This machine is local, particular, practical, unbothered by doctrinal issues and immersed in its own ends. It is not even integrated on a state basis, not to speak of a national level. It can survive national defeat and can flourish during long years of exclusion from national or even state patronage. If it can control the locality—even a small one—it is in the long run stronger than the national administration. The local political machine in Mississippi can repudiate the Democratic party presidential candidate—as in the case of President Harry Truman in the 1948 campaign—nominate an opposition presidential aspirant, and survive as a part of the Democratic party.

American democracy has remained effective just in the degree that local government has been decentralized and uncontrolled. It has muddled and confused the political scene. By the same token it has given American democracy its strength and vitality. The party system has remained strong because the central party organization has been weak. No president has been stronger than his party except in moments of crisis, and then only with the support of his political opponents.

If we have been governed by fallible human beings, both they and the rest of us knew they were fallible. They could claim no absolute virtues and, therefore, no complete obedience. And lacking the power as well as the illusion that they could do certain good, they also lacked the power of doing unqualified evil. In American politics no one can unalterably win; therefore, no one can inevitably lose. What made revolution impossible in both England and the United States has been the contradictory ends of innumerable groups, each armed with an immediate program of its own. They all gain because they all contribute to shaping public opinion and public policy. They all win only partially, however; they do not dominate or control absolutely, and, in the nature of the case, cannot.

American democracy has been strong to the extent to which the national parties have been torn by internal dissension. The resiliency of American democracy has rested upon strong—even

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if at times corrupt—local parties. The inability of the state government to dictate to the counties has given vitality to American political life. The failure of either the national Democratic or Republican party to rule the state and city machines has made them effective instruments for keeping the central government democratic by keeping it weak. The administration could never surely count on congressional support for all its policies because neither party could dictate to its own members. The lack of unity within the two major parties made it impossible for the President to control Congress, and made the division of powers a reality in the American government. Continuing political dissidence is the essential condition of both political stability and democracy, and the contention feeds the common law and the traditional values. Political disagreement is the essence of continuing political freedom.

IV

If anything definitive can be said about political revolutions, it is that they do not and cannot take place in countries where political strength is dispersed in a thousand places, and where myriads of men feel personally involved in the continuing problems of a self-governing parish or township and participate in making the rules for the larger unit, county, state or nation. The failure of the Stuarts to subvert local institutions saved England from following the path of France; while in the United States political power has from the beginning been based on the support and participation of the smaller units—it has always gone from township to county to state and nation. France and Russia, on the other hand, illustrate the way to absolutism and cataclysm.

In France and in Russia the undermining of local responsibility had gone on for centuries. In both countries there was the gradual withering away of the powers of the local nobility, the abolition or weakening of provincial representative assemblies, the wiping out of or subordination of autonomous municipal, county and provincial government. The crown took to itself many of the functions hitherto locally exercised. The local police, the local judiciary, powers of taxation, control over schools, roads, militia and public improvements, and regulation of trade and manufacture were all gradually absorbed by the crown.

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In both countries laws were issued by decree and taxes imposed by arbitrary fiat. In France the intendants regulated the minutest affairs of the smallest communities. The town could not repair its decayed church tower without special permission from the King's ministers in Paris. In Russia all church steeples look alike because they were all built on the same plan approved by the Tsar's ministry.

The crown in both countries was in effect unrestrained by any other agency. Government came to be exercised by the kings and tsars, with the ministers dependent upon their will. The government might be bad or good—capricious, expensive and cruel, or generous, constructive and well-intentioned—but in either case it was responsible only to the will of the ruler. The people could not be consulted through any parliamentary body and their consent was not required. There was neither a local nobility whose power, responsibility, good will and self-interest could restrain the crown, nor a locally autonomous municipal or county administration whose wishes required consideration.

Local leadership had been replaced by a bureaucracy which, like a spider's web, covered every nook and corner of the land. It aimed to record every event, enforce every rule and consult its superiors upon every decision. The community, large and small, lived in suspense upon the will of even the pettiest police sergeant, while the lower bureaucracy waited upon the will of their superiors. The crown and people had come to live in different spheres with a widening gap which no one could span. There was no longer any basis or any means of political communication between them.

V

Politically, this is the point of no return. When the communities' natural leaders have been replaced by appointed officials responsive to a distant ministry, an irrevocable step will have been taken. From this time forward the communities can no longer make themselves heard politically because they have no basis of legal opposition, and no means of saying "No" to king and minister because they no longer have any political strength. And political strength cannot ever be returned to them without a revolution, and perhaps not even then.

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Under such circumstances the government has come to live above the people and their communities with no basis for political communication. Reports by secret agents or police officials merely reflect the writer's interest and his desire to flatter his immediate superior.

Effective political communication *has to be political and cannot be administrative.* The bureaucracy may be a machine; it cannot be a community or a party. A political party must possess the strength to be in open opposition. If there is no prospect of influencing the policy of the government, no way in which the opposition can come to power, or come sufficiently close to it to compel the administration to consider its counsel, then there can be no political party and no political communication. For political communication is an alternate proposal and an implied future prospect of writing it into law.

In the absence of such a possibility, only opinions favorable to the government can make themselves heard, and no matter how large the bureaucracy, the government remains politically uninformed and the separation between the rulers and the people continues. The communities are almost forgotten and the government is led to assume that it is the country and that the king speaks as the people. The isolation of the government becomes irremediable and a permanent feature of the political life of the nation.

The country is now ruled rather than governed and the power of the king runs through the land without restraint. The victory of the crown is complete, its power absolute. So, too, is its weakness. Self-delusion and pride have blinded the governors into thinking that their power is now secure and endless. But what has really taken place is something very different. The nation is ruled without allowing the people or their natural leaders to get morally involved in the affairs of government. They have therefore no grounds for loyalty or effective support in a crisis. Neither Louis XVI nor Nicholas II could fall back upon the masses, the localities or the nobility. The crown, in undermining the ability of the localities to oppose it, had also destroyed their ability to come to its defense.

The strength of a government is equal to the strength of the opposition. If the opposition is strong enough it need not destroy the crown to influence or change the policy of the government—

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for the opposition is then a government in being and takes over the administration without the needed convulsion of a revolution seemingly inevitable in a political vacuum. When the opposition is strong, policy modifications are effected gradually, the communities remain politically in contact with the center, and the activities of local leaders provide the means of consensus for the government's policies.

Once autonomous local government has disappeared, there is little prospect of reëstablishing an effective political bond between the communities and the crown. The crown has become so habituated to having its own way *that any complaint—not to say opposition—is taken as a challenge to its powers rather than as a protest against its policies.* Even where the government seeks to return some participation to the communities, the bureaucracy soon discovers that administrative autonomy is really not tolerable.

The resort to local tradition, so natural to self-governing communities, is taken as a source of opposition and an effort is set on foot to wipe out the variable, to reduce all parts of the nation to the official design. Efforts by the tsars to Russify the many nationalities of Russia aimed at destroying the basis of local pride. Regional traditions make for local resistance. Uniformity is the ideal; it makes government easy, interchangeable, and provides for a single loyalty where it can be generated. The wiping out of the idiosyncratic makes for weakness at the local level and for pliability. How otherwise build a great centralized monarchy? If it is to come into being, it must reform manners, customs, dress, language and ideas. Identical systems of taxation, administration, justice, police education and army recruitment are made to apply everywhere. No wonder Catherine the Great considered herself a child of the Enlightenment. The "enlightened" monarchy cannot suffer an uncontrolled religious order, a self-sufficient craftsman guild, an independent university. It can tolerate no special privilege, liberty, insight or loyalty. There can be no private judgment, almost no privacy, for the enlightened crown will attempt to register, educate, marry and bury all of its subjects, and keep a record of all private events. But to survive, the corporate group, in whatever sphere, must be unique and uniqueness requires much room and political autonomy, something centralized government cannot tolerate.

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The king in the prevailing doctrine of the enlightened monarchy was the father of his people and a good king would treat all subjects equally. There must be no special privilege, no unique order that gives the individual a particular sense of identity. They must all be alike. In the end, if all men are equal to each other, the question will arise as to who made the king unequal. Why is he alone above the people? The inevitable answer to that is that the king too is equal. When they caught Louis XVI while trying to escape they dubbed him "Monsieur Capet". He, too, must be a *sans-culotte* and to prove his identity with themselves they put a cap on him.

All men, including the king, are now equal—equally helpless—and the tyranny of Louis XVI and the Tsar would in due time be succeeded by the greater tyranny of the Committee of Public Safety and Stalin. There is no defense against tyranny in constitution or doctrine. It can be kept in bounds only by autonomous orders, corporate bodies, local governments, because they have a life of their own. When their vitality has been sapped, the individual has no institutional foothold and no protection.

VI

The blight of centralized government is the tendency to concentrate more and more political power in one agency. It matters little whether this agency calls itself king, tsar, Fuehrer, secretary of a party, president, committee, republic or whatever. The evil is the location of power in one place. It matters not at all whether this power is accumulated in the name of equality, liberty, reform or revolution. The purpose for which the power is gathered is irrelevant to its ultimate use. For, once gathered, political power possesses a drive of its own—to perpetuate itself and increase. This must sound as if "power" were an animate being. What it really attempts to say is that the individuals who find themselves at the point where the power is concentrated always behave the same way. The individuals in possession of this power may have acquired it for reasons good or bad, honest or dishonest, or because they are efficient, energetic, shrewd, ambitious, endowed with a reformer's zeal, moved by an evil design, or because they were born where the power is located, as the heir to the crown. Whoever they may be, they will keep all the power that has come their way and attempt to increase it because it is never sufficient.

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The gathered power will have been institutionalized in a series of bureaucratic agencies, each with its own standards of efficiency, methods and prerogatives. In due time all of these separate institutions, with their special insights, responsibilities, competencies and loyalties come to be at the disposal of the same one individual—secretary, Fuehrer, king or tsar. The power of these many institutions is his—they are each separately aware of an inadequacy and they transmit that to him. Like the separate institutions, the crown at the center feels the need for greater power. It therefore always seeks to increase it and when successful stifles all those gathered within its folds. Like an ideal parasite, centralized power first drains the vitality of its victims and then perishes for lack of nourishment.

If one examines the means by which centralized political power grows until it accomplishes its logical end—self-annihilation—it is possible to identify the steps taken along the way—at least in the two instances with which we are concerned, France and Russia:

a) by destroying or weakening the local (feudal) nobility
b) by gradually degrading the church to an instrument of the central government
c) by weakening the local community and undermining or abolishing local government
d) by placing the central government's courts (the king's law) over all local justice
e) by enforcing uniform systems of taxation collected by or under the control of central government agents
f) by the growth of a centrally controlled secret police at the service of the crown
g) by the establishment of a national army, the abolition of local militia and finally by compulsory military service
h) by limiting or abolishing the autonomy of educational institutions
i) by censorship and control of the press
j) by the gradual replacement of local officers by members of a centrally controlled bureaucracy
k) by making service in the bureaucracy the conspicuous form of honorific activity
l) by suppressing all opposition and difference
m) by making loyalty and obedience to the central government the leading political virtue

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n) by contriving to make all personal ambition and hope depend upon the favor of the central government—the king, the tsar

o) by so elaborating the presence of the central figure as to make it inconceivable that there could be any other figure on the public stage—the Tsar, Louis XIV

p) by narrowing the distinction between private and public property, so that the central government can at will occupy or expropriate—through taxation, forced gift, forced loan—or in individual cases by special decree, take what part of the public wealth it requires (Louis XIV told his heir that all the property of France was at the disposal of the crown)

q) by acquiring the power to distribute the public treasure at will and without an accounting

r) by being free to declare war or make peace

s) and finally by being able to take human life without due process.

By these means the road to absolute power was cleared of all obstacles and it was a prophetic eye that led Setrone to observe, "France is much more happily situated than England, for here reforms that will change the whole state of the country can be accomplished in a moment, whereas in England similar measures are always exposed to be defeated by Party strife."[3] What he failed to see was that the King who could efficiently do these things could not insure his own survival.

VII

Clearly, tyranny first and, later, social revolution follow in the path of uniformity and political "efficiency". Without uniformity centralization is impossible. Without "efficiency" tyranny is not manageable. In the name of efficiency local variables and local traditions and their ability to resist are overridden. When local autonomy has been destroyed the only alternative is chaos or tyranny, and, historically speaking, each has its turn.

Centralized administration does not understand the essence of a healthy political life or the meaning of freedom. Unless

[3] Quoted in Alexis de Tocqueville, *The Old Regime and the Revolution*, translated by John Bonner (New York, 1856), p. 196.

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people are free to group themselves about their local and immediate interests, they are not free at all. Political freedom requires the existence of a multiplicity of groups contradictory and overlapping in their activities, having their "constitution" or their common law, playing a special rôle in the life of their members and enjoying a unique loyalty from those encompassed within their fold. The group may be a church, a college, a guild, a township. Each of these endows its associates with separate privileges, rights and duties. The aspiration of the bureaucratic servant of the centralized state for uniformity is a yearning for heavenly peace, the peace after death. If the freedom and vitality which men find only in some group are denied them, they cease to have a political life. They have nothing to defend, protect or promote and have no source of strength with which to do it. Politically, man can stand inside of some special interest—a music school, a university, a trade union, a corporation, a religious fellowship. If he is denied this group, he can no longer promote either a special or a general interest; he no longer has any political influence.

VIII

Political stability requires that the government derive its ultimate strength from the adhesion of these small societies which in their totality contain the nation itself. The little society makes possible a busy creative life for the individual. It involves him with his fellows in a common concern. It gives him a place among his neighbors and allows him to take his part in a recognized drama. It makes for the voluntary accepted rule applicable to all members. It gives a meaning to the daily activities of humble folk. It makes for emotional stability by involving the individual in the manifold activities of local government. In a degree the cellular fellowship becomes the government for the little things that trouble men in their daily lives. Each little society, such as a township, a parish, a rod and gun club, a musical society or a chamber of commerce, is a code-forming and tradition-generating body. Each of these multiplies the ways of men with each other, and sets limits upon arbitrary power; for each in its own realm has authority and commands the support of its adherents. Rules grow up—unwritten and sometimes undefined —wherever men associate over a period of time. This is true in

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the army, in prisons and among slaves. A society in being, no matter how small or how informal—a boys' baseball club for instance—instructs, disciplines and protects its own within the rules of the game. There must be no violation of an unwritten but recognized rule defining the separate dignities of prisoners and their guards. By its mere existence, the group sets limits to arbitrary authority.

More significant perhaps than any of these considerations is the group's impact upon the political process. A community with numerous corporate cells is one with many centers of autonomous strength. Each group separately stakes out a jurisdictional area inherent in its special rôle and develops objectives that bear upon the community at large. The activities of each of these groups impinge upon all the others. There are many areas of coöperation and opposition between the Red Cross, the Rod and Gun Club, the Athletic Union, and the Women's Church Union. The community is a compound of overlapping and contradictory policy-making bodies, each with its own variant of good and right. The relations among these little societies are like the possible moves in a game of chess—there is no end to them. To add to the complexity of the pattern, the local societies have their regional and national bodies which in their turn play similar rôles on a broader stage. Public policy is a distillation, more or less acceptable, of the aims of these separate autonomous groups that would pattern the world to fit their particular definition of good and right. To complicate this scene still further, individual citizens may belong to a number of these little societies, so that contact runs formally between groups and informally through individuals who may have contradictory loyalties.

In this kind of society a political party is the sum of all of these corporate entities, for the active workers in any local political party are usually involved in one or more of these autonomous bodies and represent—unconsciously, if you like—the groups to which they belong. The political party is the vehicle of these contradictory interests. They, not the individuals, make up the body politic; they determine public opinion, influence elections, strengthen or weaken party and candidate. These many corporate groups are each in their way political cells that nourish the roots of the body politic. A government that has its roots thus spread over the land and deeply imbedded in the

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interests and passions of the communities and their many groups has a thousand sources of political strength. It is like a pyramid with a very broad base. It cannot be toppled. Centralization as exemplified by France and Russia stood the pyramid upon its head, so that any wind could blow it down. It destroyed the local cells essential to a healthy political society, the political roots dried up, and the government, blinded by its ever expanding bureaucracy, failed to recognize that the strength it needed had ebbed away and the power it exercised would prove a withered reed.

In the path of increasing centralization great harm is done to the individual by depriving him of responsibility at the local level in the little societies. Absence of responsibility strips him of meaningful activity and takes from him the zest for daily involvement. Inevitably the centralized government makes men and communities discontented by making them dependent upon a distant power. By depriving the individual of the enjoyable expenditure of energy and enthusiasm in remedial efforts for local ills, it makes him both apathetic and resentful. What he would have enjoyed doing himself he now expects a beneficent power to accomplish, and if his interest is stirred, it takes the form of seeking a formula to attract the attention of the all-powerful minister in the far-away capital. His means of compelling attention are limited—flattery, cajoling, begging—and when these fail him, as they must, he resorts to some form of magic: "pull", influence, bribery, conspiracy, revolution. Energy previously devoted to playing a part in a community drama with other actors similarly engaged toward some common end is now expended in futile gestures meant to attract the notice of what seems an indifferent or callous government. The local communities have now become incapable of doing the simplest things. They can no longer gather the enthusiasm or possess the means to build a church, or punish a criminal. They turn to the central government and wait for the benefits to come as grace from above. And end in disillusionment, as they must.

In politics it is more important to air the differences that divide men than to find the remedies they seek. Some difficulties are by their nature irremediable; others dissolve themselves into multiple questions of varying degrees of importance, and few need to have an immediate answer. But if there is no way of presenting a grievance, no means of seeking a remedy,

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then the smallest complaint becomes a challenge to the political system. Every difficulty seems to lead in one direction—to the overthrow of the government. It does not have to be oppressive. It need merely be impervious to popular feeling and indifferent to complaint. All that is called for is that it have what it must have to succeed—sufficient insulation from the stresses and strains of ordinary living to acquire the reputation of an insensitive monster ruling the lives of men for its own selfish ends.

X

Where there are no effective political parties, that is, where there is no opposition and therefore no two-way political communication, the ideologists take over the rôle of critics and prophets and they, instead of experienced participants in public affairs, shape the minds of men and define the political issues.

This is what happened in France. The ideologists became the political leaders by default, and their bold reform projects were equal to their lack of experience in public affairs. They knew the answer just because they did not understand the question. The question was, as it always has been, how to arrange the infinite details of human association so as to give a modicum of satisfaction to all who are involved. In reply to any question—whether of taxation or justice or economy in government—they said the answer was equality, liberty, fraternity. The model they held before them was in the primitive world—where all men are free. Abolish the artificialities, the false pride, the useless prerogatives, give power to the people, enthrone reason, and all will be well—so well that liberty will reign and felicity will be the portion of every man. In Russia it was abolish capitalism and all men will be free and happy. These are ingratiating doctrines but irrelevant in a real world; for in a real world the criminal has to be caught, tried, sentenced and punished; the tax must be levied, collected, appropriated and expended—and these are complex matters of infinite detail for which no completely satisfactory solution has ever been found. But to the ideologist, all of these harassments are a matter of indifference because he is so little aware of their existence that he can deal with them by a simple formula and remain for a time blissfully indifferent to the consequences of his policy.

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The tragedy which the centralized government will have brought upon itself will be compounded by the ideologist turned politician. He will attempt to remake everything except the centralized government. He will guillotine the king, destroy the church, expropriate the property owners, and deny the privacy of the family. He will do all of this and more but keep the centralized state and strengthen it. The one thing he will not attempt will be the reëstablishment of local self-government, the absence of which was the cause of the revolution itself. The revolutionist cannot think of the little parish as a source of strength to the state and as a natural way for dealing with the daily troubles of the local society. He is so taken with the power of centralized government to reconstruct everything and so full of general ideas that he remains oblivious to the political energy hidden in the small corporate towns and villages. He would not re-create this essential source of political stability even if he could because a vigorous local community would undermine the power and nullify the ambition of the new leader come to save the nation. The loss of experience in local government is the major deprivation of the people and the revolution cannot bring it back to life.

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THE DEPOSIT INSURANCE LEGISLATION OF 1933

AN EXAMINATION OF ITS ANTECEDENTS AND ITS PURPOSES*

> Not a part of the President's program, bitterly fought by some of the most powerful interests in the land, beset by enemies in high places where it should have had only friends, the bill has been passed because of the fine patience, the splendid courage, and the masterful resource of the chairman of the conferees.
>
> The country has had nothing comparable to it since the passage of the Federal Reserve Act. It is one of the great pieces of legislation in the history of the government. It is indeed "the shadow of a great rock in a weary land." [1]

THESE words by Representative Lister Hill of Alabama in the closing days of the first session of the 73rd Congress marked the conclusion of a long, and often bitter, struggle to establish a nation-wide system of deposit insurance. During the quarter century which has since passed, the motives and forces which came to focus in 1933 to produce nation-wide insurance of bank deposits seem to have been largely misunderstood. The belief has persisted that the 1933 legislation was a novel measure prompted by the banking crisis and devised by the new administration to protect depositors of modest means against losses due to bank failure.

It is to the major elements of this belief that the present paper is directed. Deposit insurance was not a novel idea; it was not untried; protection of the small depositor, while important, was not its primary purpose; and, finally, it was the only important piece of legislation during the New Deal's

*This article was developed from a paper given at the Graduate Economics Research Center on the Economic Development of the Industrial Countries, Columbia University. The writer is grateful for helpful comments and criticisms from members of the Center, as well as from colleagues at the Federal Deposit Insurance Corporation.

[1] *Congressional Record*, vol. 77, 73rd Cong., p. 5899. The bill referred to is the Banking Act of 1933, which became law June 16, 1933, and the remarks were directed to that portion of the Act which provided for insurance of bank deposits.

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famous "one hundred days" which was neither requested nor supported by the new administration.

Deposit insurance was purely a creature of Congress. For almost fifty years members had been attempting to secure legislation to this end, without success; while in individual states the record of experimentation with bank-obligation insurance systems dated back more than a century. The adoption of nation-wide deposit insurance in 1933 was made possible by the times, by the perseverance of the Chairman of the House Committee on Banking and Currency, and by the fact that the legislation attracted support from two groups which formerly had divergent aims and interests—those who were determined to end destruction of circulating medium due to bank failures and those who sought to preserve the existing banking structure.

I

In 1829 New York had a new governor and an impending banking problem. The governor was Martin Van Buren and the problem arose from the fact that many bank charters were due to expire within the next several years. The approaching charter expirations, combined with considerable public dissatisfaction with the existing banking structure, had given rise to a wide variety of proposals, ranging from the abolition of all banks to the creation of a state-wide branch banking system owned and operated by the state. Governor Van Buren, in his first message to the state legislature, took note of the situation and indicated that he would propose a novel plan: "My own reflections . . . have derived much assistance from a sensible and apparently well considered plan that has been submitted to me, and which will, in due season, be laid before you. . . . It proposes to make all the banks responsible for any loss the public may sustain." [2]

The plan to which the Governor referred, and which he submitted to the legislature three weeks later, had been devised by Joshua Forman, a Syracuse business man. It provided for the

[2] Charles Z. Lincoln (ed.), *Messages from the Governors* (Albany, 1909), III, 243. For a detailed discussion of state insurance systems, and of proposed federal legislation for deposit insurance or guaranty, prior to 1933, see the following annual reports of the Federal Deposit Insurance Corporation: 1950, pp. 63-101; 1952, pp. 59-72; 1953, pp. 45-67; and 1956, pp. 47-73.

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establishment of an insurance fund to which all banks would be required to contribute as a condition of charter renewals, the appointment of a board of commissioners with full authority to examine the banks regularly, and the investment of bank capital in state bonds or well-secured mortgages.

There seems to have been no American precedent for the proposed insurance plan. Forman claimed that the plan

> . . . was suggested by the regulations of the Hong merchants in Canton, where a number of men, each acting separately, have, by the grant of the government, the exclusive right of trading with foreigners, and are all made liable for the debts of each in case of failure. The case of our banks is very similar; they enjoy in common the exclusive right of making a paper currency for the people of the state, and by the same rule should in common be answerable for that paper.[3]

The examination proposal was hardly less novel, since it contemplated regular examination by salaried officials empowered to investigate the condition of the banks fully—in short a degree of supervision almost unthinkable at that time.

Despite the novelty of the plan—or perhaps because of it—the Forman-Van Buren proposals with respect to insurance and bank examination were adopted by the legislature and became law on April 2, 1829; but the proposed investment of bank capital in securities was not included in the Act. This Act was to apply to all banks "hereafter to be created in this state, or whose charter shall be renewed or extended." [4] The insurance plan itself was based on a fund (known as the Safety Fund) to be raised by requiring each participating bank to pay an annual assessment to the State Treasurer equal to ½ of 1 per cent of paid-in capital stock, until the total paid equaled 3 per cent of its capital stock. Special assessments were authorized whenever the fund fell below the required size. All creditors of failed participating banks, that is, primarily depositors and holders of circulating bank notes, were covered to the full extent of their holdings. Payments were to be made out of the insurance fund whenever, upon completion of the liquidation of the assets of a failed bank, it was found that full recovery had not been secured by the bank's creditors.

[3] *New York Assembly Journal*, 1829, p. 179.

[4] *An Act to create a fund for the benefit of the creditors of certain monied corporations, and for other purposes*, April 2, 1829, section 1.

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At the end of 1829 about half of the banks were subject to the provisions of the new law. As expired charters were renewed, participation increased and by the end of 1837 it exceeded 90 per cent of the state's banks.

Within a relatively short time adaptations of the New York bank legislation appeared in two other states. Vermont in 1831 adopted the insurance and examination proposals for its banks, and Michigan followed in 1836. In each case, there were only minor differences from the New York plan. The adoption of the New York plan in Michigan was probably due to the fact that the latter state was at that time being rapidly settled by former residents of New York.

Between the dates of passage of the insurance legislation in Vermont and Michigan, a different kind of bank-obligation insurance appeared in the Middle West. In 1834 Indiana was faced with the problem of establishing a banking system, a task complicated by the fact that the state constitution appeared to prohibit any banking except that which might be done by a state bank and its branches. The rather ingenious solution was to establish a state bank—which did no banking—and to provide for independent banks—but to label them "branches". Taken together, the "branches" constituted the state bank, but each "branch" had its own stockholders, officers and directors, and paid dividends out of its own earnings. The state bank itself was essentially a supervisory body, with the president occupying a position somewhat similar to that of a present-day bank commissioner.

The insurance plan was simple. Upon the failure of a branch bank, the remaining branch banks were made "mutually . . . responsible for all the debts, notes, and engagements of each other" unpaid within one year after failure.[5] No insurance fund was provided. The necessary amounts were to be raised by special assessments on the branch banks, such assessments to be levied by the directors of the state bank.

The four insurance systems established by 1836 were almost immediately put to a severe test. The panic of 1837 was followed by one of the longest and deepest depressions in the nation's history. The insurance system last established soon collapsed, as numerous bank failures in Michigan threw on the insurance fund obligations which could not possibly be met.

[5] *An Act establishing a State Bank*, January 28, 1834, section 9.

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By 1841 almost all of the insured banks had suspended and the insurance system came to an end a year later. During its six years of operation it made no payments to creditors of failed banks.

The New York insurance system successfully met the test in 1837—owing in part to an amendment to the law which will be described later—and was able to handle the first few failures in 1840-41. However, when the Bank of Buffalo failed in November of 1841 the insurance fund had already been so far drawn down that the State Comptroller hesitated to make provision for the payment of the bank's insured creditors. When seven additional failures followed very soon, it was clear that the insurance fund would be insufficient. In 1842 insurance protection was limited to circulating bank notes, and in 1845 the legislature remedied a defect in the insurance plan—the lack of borrowing power—by authorizing a bond issue to meet obligations due as a result of failures during the depression. Vermont also ran into difficulty at about this time, although the insurance system managed to pay all claims presented.

The Indiana system was the most successful of the four. Only one branch bank suspended (in 1843) and it was swiftly reorganized and reopened, with no loss to depositors or noteholders. By the end of the depression the Indiana banking system was recognized as the strongest in the West.

In 1845 Ohio was faced with essentially the same situation with which New York had to deal in 1829. The charters of many banks had expired in 1843-44, and the difficulties encountered during the depression had led to demands for a reorganization of the banking system. Had this situation developed ten years earlier, it is quite possible that Ohio would have followed the New York precedent, but by 1845 the reputation of Indiana banks was particularly high in Ohio. Consequently, Ohio organized a banking system similar to that of her western neighbor, that is, a state bank which did no banking and "branches" which did the banking and were, for all practical purposes, independent banks.

The Ohio insurance system, while similar to Indiana's, provided for the establishment of an insurance fund. The fund, however, was merely a segregation of a portion of the assets of each bank, to be used to reimburse the banks for any special assessments levied to pay the creditors of failed banks. Ohio

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also borrowed from the revised New York plan in limiting insurance protection to circulating notes.

Iowa was the last of the six states to adopt an insurance program prior to the Civil War. It did so in 1858, basing both its banking and insurance systems on the Ohio model.

The experience of the state insurance systems after 1845 was generally good. Noteholders of failed insured banks in Ohio were paid swiftly and in full. During the panic of 1857 no insured bank in Ohio suspended, although a number required and received aid from the insurance system. Iowa managed to handle successfully what few troubles it encountered. The Indiana system continued its remarkable record, with not a single bank suspension during the remainder of its period of operation. Bank-obligation insurance in New York was hampered by the need to redeem bonds issued during the depression, deferring the payment of claims. Eventually all insured claims were paid, including new claims arising out of suspensions in 1854 and 1857, although with considerable delay in the last cases and probably some loss. Only in Vermont did the insured claimants of a failed bank fail to receive full payment from the insurance fund, and this was owing in large part to unauthorized refunds to withdrawing banks of a portion of the insurance fund by the State Treasurer, so depleting the fund that it was unable to pay all claims in the case which later developed.

Despite the generally successful record of the various insurance systems after 1845, all ceased operations by 1866. Two developments accounted for this. First, the "free-banking" movement which started in the 1830's provided an alternative to insurance of circulating bank notes, that is, the posting with state officials, by each bank, of bonds and mortgages in an amount equal to its total issues of such notes. Many states adopted this "free-banking" idea—including those which also made use of the insurance principle—and "free banks" did not participate in insurance except in Michigan. Consequently, the insurance systems did not become universal in coverage, as had been anticipated, and in the two states where bank-obligation insurance had been first introduced—New York and Vermont—the number of banks participating decreased as charters expired and as new banks were organized under the "free-banking" laws.

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The second factor was the establishment of the national bank system in 1863. When, in 1865, Congress placed a prohibitive tax on the notes of state banks, those of national banks remained the only circulating bank notes. At about that time most insured banks in Ohio, Indiana and Iowa converted to national banks.

After 1866 there was a halt in state plans to insure bank obligations, owing in large part to the guaranty of circulating notes under the national bank system. The notes of national banks were secured by United States bonds but in addition, and more important, they were directly guaranteed by the United States Treasury. As the Comptroller of the Currency pointed out in his first report to Congress, even if the pledged securities were insufficient to redeem the notes of failed national banks, "the notes . . . must still be redeemed in full at the treasury of the United States." [6]

Direct federal guaranty of the notes of national banks meant, if the pre-1860 ratio of bank notes to deposits was maintained, that approximately 40 per cent of the circulating medium would be fully protected. However, deposit banking grew rapidly after the Civil War; by 1870 deposits were twice the circulating notes, and by the end of the century seven times. It was against this setting that attempts were once again made to utilize the insurance principle to guard against the consequences of bank failure.

The first attempts were made in Congress. In 1886 a Wisconsin representative introduced a deposit insurance bill in the House, the first of eighteen such bills to be introduced in the various Congresses between 1886 and the turn of the century. None was enacted into law.

Meanwhile, deposit insurance on a state-wide basis was being debated, and in 1907 a deposit insurance system was adopted in Oklahoma. Within ten years seven other states—Kansas, Nebraska, Texas, Mississippi, South Dakota, North Dakota and Washington—adopted similar legislation.

The various systems differed in detail but were alike in main outline. All provided for assessments on deposits to provide a fund for the payment of deposits of failed banks. The majority of the plans were compulsory for state chartered banks

[6] *First Annual Report of the Comptroller of the Currency,* November 28, 1863.

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and provided insurance protection without maximum insurance limitations for each depositor.

Most of the state systems operated successfully for a number of years, but eventually all were seriously affected by the agricultural difficulties during the 1920's and the consequent large numbers of bank failures. In one fashion or another each state system had become insolvent or inoperative by 1933.

Neither the adoption of deposit insurance systems in the various states nor their subsequent difficulties during the 1920's stopped attempts in Congress to inaugurate nation-wide deposit insurance or guaranty. During the first decade of the new century forty-five additional bills were introduced in Congress, most of them in the 60th Congress in 1907-9. Deposit insurance was included in the original Federal Reserve Act as passed by the Senate, but was omitted from the bill passed by the House and eliminated in the Conference report. From two to eight proposals for deposit insurance or guaranty were submitted in each Congress from the 61st in 1909-11 to the 71st in 1929-31. In the 72nd Congress twenty-one separate bills were introduced, reflecting the impact of the depression, and one of these was passed by the House of Representatives in 1932. In the first ten weeks of the 73rd Congress in 1933, fifteen more such bills were submitted.

In all, 150 separate proposals for deposit insurance or guaranty were made in Congress between 1886 and the establishment of the Federal Deposit Insurance Corporation in 1933. Sponsors of the bills came from thirty states in all parts of the nation, and were divided almost equally between the two major political parties.

In 1934, after establishment of the Federal Deposit Insurance Corporation, about 47 per cent of the circulating medium was protected by insurance or government guaranty. Insured deposits were protected by the Corporation, while all circulating notes, including national bank notes and Federal Reserve notes, were guaranteed by, or direct obligations of, the United States Treasury. Thus, some seven decades after establishment of the national banking system, the proportion of the circulating medium protected was at approximately the level which it had been hoped to achieve when the notes of national banks were guaranteed by the government and made the only circulating bank notes.

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II

Under a banking system chronically afflicted with bank suspensions, the hardship suffered by individual depositors or noteholders long occupied a prominent place in the minds of those attempting to improve the banking system. The rôle of bank-obligation insurance as that of the protector of the bank creditor, particularly the creditor of modest means, has been cited from the beginning. As the committee of the New York Assembly pointed out in 1829 in its report on the bill embodying this first bank-obligation insurance system:

> The loss by the insolvency of banks generally falls upon the farmer, the mechanic and the laborer, who are least acquainted with the condition of banks, and who, of all others, are most illy able either to guard against or to sustain a loss by their failure. The protection and security of this valuable portion of our population demands from us, in their favor, our most untiring exertions; and our time and talents cannot be more beneficially employed, than when we are legislating for their indemnity.[7]

Similar statements can be located with respect to every proposal for bank-obligation insurance. This is not surprising because, first, the objective is important and, second, the argument is appealing—one which would naturally be stressed in public debate.

However, it is clear from both the statements and actions of many proponents and administrators of bank-obligation insurance systems that the primary object has not been to guard the individual depositor or noteholder against loss but, instead, to restore to the community, as quickly as possible, circulating medium destroyed or made unavailable as a consequence of bank failures. In this view, bank-obligation insurance has a monetary function, and the protection of the small creditor against loss is incidental to the achievement of the primary objective.

Confusion over the objectives of bank-obligation insurance prevailed from the beginning in New York. That state's law extended insurance protection to "such portion of the debts, exclusive of the capital stock, of any of the said corporations which shall become insolvent, as shall remain unpaid." [8] Some

[7] *New York Assembly Journal*, 1829, p. 439.

[8] *An Act to create . . .*, section 4.

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understood "debts" to mean only circulating notes. Since these notes were usually widely distributed and held, for the most part, in small amounts, restriction of insurance to circulating notes suggests a limited objective while, contrariwise, the inclusion of deposits suggests the broad objective. When, in 1842, New York did in fact restrict insurance protection to circulating notes, the State Bank Commissioners declared that the legislature in 1829 intended only "to secure bank note holders, and not depositors or other creditors." [9]

Despite the commissioners' claim, there is considerable evidence that many of the leading proponents of the 1829 law had, from the beginning, viewed the legislation as a means of protecting the circulating medium and intended to cover both deposits and circulating notes. For example, James A. Hamilton, a Van Buren supporter and son of Alexander Hamilton, described the primary goals of the 1829 legislation as "the stability of the currency of the country; and, second, the security of the depositors and holders of the notes of the banks." [10] To opponents of the law in 1829, one serious drawback was the fact that it supposedly discriminated against bank stockholders in favor of "the bill holder and depositor." [11] Thus so far as the statement of the commissioners is concerned, the conclusion reached by Redlich seems correct: "The commissioners were uninformed on the history of the act." [12]

Another indication of the intended scope of the New York plan is found in the action of the New York legislature in 1837, amending the law to permit the State Comptroller to make immediate payment out of the fund to holders of the notes of failed banks so that they no longer had to wait until liquidation of assets was completed. Such an amendment was not needed, of course, if the only purpose of the Act was to reimburse creditors for losses. By following this procedure the Comptroller was able to restore the credit and facilitate the reopening of four of five distressed banks in 1837.

[9] "Annual Report of the Bank Commissioners", January 25, 1841, *New York Assembly Documents*, No. 64, pp. 16-17.

[10] James A. Hamilton, *Reminiscences* (New York, 1869), p. 82.

[11] *An Examination of some of the Provisions of the Act . . . passed April 1829*, Anonymous (New York, 1829), p. 6.

[12] Fritz Redlich, *The Molding of American Banking* (New York, 1951), I, 264.

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The experience of the Ohio insurance system throws additional light on the question of the function of insurance. Ten insured banks became involved in serious financial difficulties during the period 1845-64. Two of these banks were found to be virtually insolvent at the time they entered the insurance system and reorganization plans were immediately started. The first real cases to come before the insurance authorities were in 1852-54, when four banks failed and were placed in receivership. In each of these cases insured creditors (noteholders in Ohio) were paid through the insurance system. However, in 1857 the Ohio banking system suffered a severe shock, not only from the general effect of the panic of that year but in particular because one of the key bank failures in the country was that of the Ohio Life Insurance and Trust Company, the New York agency of which held the correspondent bank balances of many of the insured Ohio banks. In this situation Ohio insurance authorities rapidly devised a procedure for extending aid to the distressed banks in the form of loans. The purpose of the loans, of course, was to prevent the suspension of the banks and in this respect was completely successful, since not a single insured bank in Ohio failed during the panic or subsequent depression. It is interesting that the long-time secretary of the state bank system chose, years later, to appraise the system in the following terms: "It did what it was designed to do, furnish a safe circulating medium for the people of the State." [13]

Procedures similar to those of Ohio were also followed in Indiana and Iowa with respect to banks in financial difficulties. It seems safe to conclude that if there had been, in all four states—New York, Ohio, Indiana and Iowa—an original intention to restrict the function of insurance to reimbursing the small bank creditor against loss, that intention was substantially modified as the insurance systems gained in experience.

Controversy over the function of bank-obligation insurance was resumed with the formulation of new state plans after 1900. The United States Supreme Court, when called upon in 1911 to consider the constitutionality of the deposit insurance laws of Oklahoma, Kansas and Nebraska, distinguished clearly between the monetary function of protecting the circulating medium and the more limited objective of protecting depositors.

[13] John J. Janney, "State Bank of Ohio", *Magazine of Western History*, II (1885), 174.

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In a unanimous decision the Court held the laws constitutional precisely because they sought to achieve protection of the circulating medium. As Justice Holmes put it:

> . . . probably few would doubt that both usage and preponderant opinion give their sanction to enforcing the primary conditions of successful commerce. One of these conditions at the present time is the possibility of payment by checks drawn against bank deposits, to such an extent do checks replace currency in daily business . . . the primary object of the required assessment is not a private benefit . . . but . . . is to make the currency of checks secure, and by the same stroke to make safe the almost compulsory resort of depositors to banks as the only available means of keeping money on hand.[14]

During the Congressional debates in the early 1930's the monetary function of deposit insurance was frequently stressed. Although there were the usual statements drawing attention to the plight of individual depositors unable to protect themselves when banks failed, the deepening depression was responsible for focusing attention on the relationship between deposit insurance and protection of the circulating medium. This was perhaps best described by former Senator Robert L. Owen, who as Chairman of the Senate Banking and Currency Committee in 1913 had sought to make deposit insurance a part of the Federal Reserve Act. As a witness at House hearings on proposed deposit insurance legislation in 1932, Senator Owen stated:

> The first observation I wish to make is that to provide the people of the United States with an absolutely safe place and a convenient place to put their savings and their deposits is essential to the stability of banking, bank deposits and loans, the checks which function as money, and business conditions in every line. . . . It is a far greater matter than the very important end of protecting the individual depositor or the bank from loss.[15]

The report of the House Committee on Banking and Currency accompanying the legislation creating the Federal Deposit Insurance Corporation put it this way:

[14] Noble State Bank v. Haskell (1911), 219 U. S. 111.

[15] *Hearings Before the Subcommittee of the Committee on Banking and Currency, on H. R. 11362*, U.S. House of Representatives, 72nd Cong., 1st Sess., p. 117.

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> . . . Experts advise us that more than 90 percent of the business of the Nation is conducted with bank credit or check currency. The use of bank credit has declined to the vanishing point. The public is afraid to deposit their money in the banks, and the banks are afraid to employ their deposits in the extension of bank credit for the support of trade and commerce. Businessmen and investors are victimized by the same fear. The result is curtailment of business, decline in values, idleness, unemployment, breadlines, national depression and distress. We must resume the use of bank credit if we are to find our way out of our present difficulties.[16]

It might be supposed that if protection of the circulating medium were the overriding concern of the legislators, the deposit insurance legislation would have insured all deposits, regardless of amount, and required immediate payment of depositors, whereas if protection of the small depositor against loss were of primary importance, insurance protection would have been limited to certain types of accounts (say savings accounts and personal checking accounts), with a low maximum insurance limit and payment to be made when loss was determined. Neither course was in fact followed, but action taken by Congress in 1933 strongly suggests the primacy of the monetary function.

Under the original insurance plan, slated to go into operation on June 30, 1934, insurance coverage was to apply to all types of deposit accounts, with maximum limits for each depositor which were fairly generous. Coverage was complete for the first $10,000 and applied to 75 per cent of the next $40,000 and 50 per cent of anything over $50,000. Only in the temporary plan, designed to operate for six months, was coverage restricted to $2,500 for each depositor. However, the original plan never did go into effect. After several extensions of the temporary plan, during the course of which coverage was raised to $5,000 for each depositor and it was found that this provided full coverage for more than 98 per cent of the depositors, a new permanent plan was adopted in 1935 which continued limitation of the maximum coverage to $5,000 for each depositor. At the same time, however, the Corporation received authority, of which it has since made extensive use, to protect depositors of a distressed insured bank under procedures which have the effect of protecting all deposits, regardless of amount.

[16] *Banking Act of 1933, Report to Accompany H. R. 5661,* House Report No. 150, 73rd Cong., p. 6.

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Thus the Corporation may make a loan to, or purchase assets from, a distressed bank when such loan or purchase will reduce the risk or avert a threatened loss to the Corporation and, in addition, will facilitate the merger of the distressed bank with a sound insured bank.[17]

With respect to payment to depositors, Congress required prompt payment by the Corporation under both the temporary plan and the subsequent permanent plan. This action is of importance in determining the function of deposit insurance, for, although immediate payment is helpful to depositors, it is much more important as a means of restoring to the community circulating medium destroyed or unavailable because of bank failure. If it were only a matter of protecting the depositor against loss, this could be accomplished by arranging for the Corporation to pay each depositor the difference, plus interest, between the amount of his deposit and the total amount returned to him in the form of receiver's dividends. In practice, however, insured deposits (or all deposits if the deposit assumption technique is used) are made immediately available to depositors, whether or not it appears that there will be an ultimate loss from liquidation of the bank's assets; it is the Corporation rather than the depositor which awaits the receipt of dividends from the receiver, a process which may extend over a considerable period of time.

The record supports the conclusion that the primary function of deposit insurance is, and always has been, protection of the circulating medium from the consequences of bank failures. That insurance also serves the purpose of guarding the small depositor against loss from bank failures cannot be denied, but this function is of secondary importance. Historically, erratic fluctuation in the money supply of the United States has been attributable to, or primarily attributable to, changes in the volume or effectiveness of bank reserves and to bank failures. Control over the first of these is now exercised by the central bank, while the Federal Deposit Insurance Corporation protects

[17] In 1950 the Corporation received additional authority—which it has not used as yet—authorizing it to make loans or purchases, or to place a deposit in a distressed bank, when in the opinion of the Board of Directors of the Corporation "the continued operation of such bank is essential to provide adequate banking service in the community." Federal Deposit Insurance Act, September 21, 1950, Section 13 (c).

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against destruction of the circulating medium. In each case over a century of debate and experiment was required before these instruments were devised and accepted, and it is no coincidence that a serious attempt was made to establish both a central bank and a deposit insurance system in the same Act in 1913. It is therefore of interest to note a relatively recent appraisal of the 1933 legislation in a staff report to the Board of Governors of the Federal Reserve System:

> Deposit insurance is potentially one of the more important reforms directed to greater monetary stability by the banking legislation of the 1930's. In essence, these banking reforms aimed at preventing a repetition of the wholesale destruction of the money supply that occurred during 1929-33. . . . From the individuals' standpoint, deposit insurance provides protection, within limits, against the banking hazards of deposit ownershp. But the major virtue of deposit insurance is for the Nation as a whole. By assuring the public, individuals and businesses alike, that cash in the form of bank deposits is insured up to a prescribed maximum, a major cause of instability in the Nation's money supply is removed.[18]

III

The development of bank-obligation insurance has been closely related to the banking system which has evolved in the United States. Scattered experiments with insurance prior to 1933 do not, by themselves, account for the fact that American banking has long been characterized by large numbers of small, unit banks, rather than, as in other countries, a relatively small number of banks with extensive branch systems. Yet it is not reading too much into history to say that bank-obligation insurance systems and proposals between 1829 and 1933 reflected and influenced—as did other proposals or experiments to safeguard the circulating medium—attempts to maintain a banking system composed of thousands of independent banks by alleviating one serious shortcoming of such a system: its proneness to bank suspensions, in good times and bad.

A discussion of the relative merits of unit banking and branch banking is beyond the scope of this paper. It need only be mentioned here that one of the oldest and deepest of banking controversies has been between the proponents of banks operating only one office, who hold that such a system is essen-

[18] *Federal Reserve Bulletin*, February 1950, pp. 153-54.

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tial to the maintenance of banking competition and the preservation of small banks, and the proponents of branch banking, who hold that banking stability and efficiency require multi-office institutions. The difference between these two philosophies is reflected in the bewildering variety of state laws respecting branch banking, ranging from outright prohibition of branches in some states to unrestricted state-wide branch banking in others. That the issue is still live is evidenced by the controversies over branch bank legislation which so frequently arise in the various state legislatures.

The relationship between insurance and unit banking was demonstrated in the first insurance plans. It will be recalled from discussion earlier in this paper that insurance was advocated in New York as an alternative to a plan for a state-wide branch bank system. Joshua Forman had this alternative expressly in view in 1829 when, in advocating his new plan, he stated:

> . . . the whole body of banks would constitute a kind of community something after the model of our federal union, in which each in its proper sphere would have the same freedom of action . . . they now possess . . . and a common fund for the common security, which, under the operation of the principle of inspection to prevent mismanagement . . . is on the whole a more ample security to the public than that of a general bank with branches.[19]

In Indiana it will be remembered the state constitution clearly contemplated state-wide branch banking. Instead, the insurance principle was used to provide a unit banking system, perhaps thereby shaping the future development not only of the Indiana banking structure but those of other states, notably Ohio and Iowa.

Experiments with deposit insurance after the turn of the century were, for the most part, in states which were then and still remain strong centers of unit banking. Of the 150 bills introduced in Congress, the largest number was submitted by senators or representatives from southern, southwestern, and plains states, areas generally congenial to unit banking. Over a third of the bills were submitted from four states: Oklahoma, Nebraska, Texas and Kansas, all of which are predominately unit banking states.

[19] *New York Assembly Journal*, 1829, p. 178.

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The importance of deposit insurance as a bulwark of the unit banking system was reflected in the debates early in the 1930's over federal legislation. Most striking in this regard was the testimony of the Comptroller of the Currency in 1932 in opposition to H. R. 11362, a bill to provide a guaranty fund for bank deposits.[20] The Comptroller was "unequivocally and unalterably opposed" to such legislation, primarily because it would block, in his opinion, the development of a nation-wide (or regional) system of branch banking.

> There is only one sound remedy for the country bank situation and that is a system of branch banking built up around strong city banks operating under close Government supervision. For the past three years I have in season and out of season urgently recommended such legislation. . . . Recent developments have served only to confirm me in [this] conviction. . . . Since my first report and recommendations to Congress on the small unit bank situation . . . there have been more than 4,000 additional small bank failures in the United States. . . . While, therefore, I am in agreement with the ultimate purpose of this bill, namely, greater safety to the depositor, the method proposed by the bill and the principles which I advocate stand at opposite poles. A general guaranty of bank deposits is the very antithesis of branch banking.[21]

Debate in 1933 continued to reflect the concern of champions of small unit banking. Senator Vandenberg of Michigan, a leading advocate of deposit insurance in the Senate and author of the temporary deposit insurance plan, quoted with approval editorial support of his plan, which as a part of the Senate bill was then in House-Senate conference: "Foreshadowed was an America without small banks, an America whose credit would be controlled by a few men pulling the strings from New York. . . . The Senate and House, by passing bank deposit guaranty bills, have taken the first Government action of this depression to reverse the vicious trend and save small banks."[22] In the House, Representative Steagall of Alabama, Chairman of the Banking and Currency Committee who, more than any other person in or outside of Congress, was responsible for the eventual passage of deposit insurance, was frequently called upon to deal with criticism from some members who feared the

[20] This is the bill introduced by Representative Steagall of Alabama, which was passed by the House on May 27, 1932 but died in the Senate.

[21] *Hearings Before the Subcommittee . . . on H. R. 11362*, p. 7.

[22] *Congressional Record*, vol. 77, Pt. 5, 73rd Cong., 1st Sess., p. 4429.

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new agency might discriminate against small banks.[23] At one point in the debate such charges led him to declare:

> No man is more concerned about preserving the independent community banks in the United States than I am. The same statement is true of the members of this committee, who have stood together in this House and defeated for years all efforts to undermine independent community banks. . . . This bill will preserve independent, dual banking in the United States. . . . This is what this bill is intended to do.[24]

When the 1933 legislation came out of House-Senate conference there was included a provision authorizing branch banking by national banks in states permitting branch banking. Although this provision was distasteful to the House, Representative Goldsborough of Maryland, one of the House conferees, justified it on the grounds that failure to agree by the House conference members would have endangered the deposit insurance provisions of the Act. Furthermore, he said:

> We decided that if we had a bank-deposit insurance bill it would not only tend to restore the confidence of the American people in the banks and in the business integrity of the country, but if bank deposits were insured and all the people knew that a reservoir of the assets of every bank in the United States was supporting the deposits in their bank, it would tend to restrain the tendency to branch banking. Therefore, we felt we should yield to the Senate provision.[25]

It is quite possible that the importance of the connection between the principle of deposit insurance and preservation of

[23] Such criticism came, for the most part, from those who supported deposit insurance in principle. Opposition to deposit insurance, such as it was in 1933, often reflected the attitudes of important segments of the banking industry which, through the American Bankers Association, declared themselves to be "unalterably opposed", and of some members of the new administration, including the President, who apparently were concerned over possible large losses to the government under a guaranty system. See, for example, *Congressional Record,* vol. 77, 73rd Cong., pp. 3492, 3687, 3728, 3932, 4041, 4044, 5256, 5861, 5899; *The Public Papers and Addresses of Franklin D. Roosevelt* (New York, 1938), II, 37-38; Harold L. Ickes, *The First Thousand Days, 1933-1936* (New York, 1953), p. 41. For a recent description of attitudes toward the deposit insurance legislation see Arthur M. Schlesinger, Jr., *The Coming of the New Deal* (Boston, 1959), pp. 443, 554-555.

[24] *Congressional Record,* vol. 77, 73rd Cong., p. 4033.

[25] *Ibid.,* p. 5897.

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the existing banking structure, particularly with respect to the impetus this relationship gave to the passage of deposit insurance legislation, has been overlooked. In the United States in 1933—as in New York State in 1829—public disillusionment with the independent banking system had reached a point at which fundamental change in the banking structure could easily have been obtained. Whether this would have taken the form of nation-wide branch systems, nationalization, or something different will never be known; for deposit insurance, and possibly only deposit insurance was capable of doing so, made continuation of the existing structure possible. And despite the extensive changes since 1933—particularly the rapid growth in number of branches—at the end of 1959 there were still 14,000 banks in the United States, more than 80 per cent of which were unit banks, the vast majority of small size.

IV

The many and diverse motives responsible for the passage of a particular piece of legislation are always difficult to disentangle. This is particularly so in the case of the deposit insurance legislation of 1933. Under the emergency conditions of early 1933, prolonged study of the legislation was not possible, leading some people to oppose deposit insurance for reasons which should have led them to support it, and some to support the legislation on equally unrealistic grounds. Another important factor was the character of the Banking Act itself, which contained important legislation other than the deposit insurance provisions, thus making it difficult to determine to what portion of the bill some of the comments were directed. Finally, there was the fact that deposit insurance, while immensely popular, was faced with opposition from some leading members of Congress and the Administration, with the result that the legislation which finally emerged contained provisions distasteful to some supporters of insurance.[26]

The foregoing remarks should serve as a reminder that it has not been the intention of the present paper to describe all the functions and purposes which were claimed for the deposit insurance legislation of 1933. Rather, as mentioned in the intro-

[26] One such provision was the requirement (repealed in 1939) that insured nonmember banks eventually enter the Federal Reserve System.

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ductory remarks, attention has been focused on two important purposes of the legislation which have been insufficiently emphasized: protection of circulating medium and preservation of the existing banking structure. Perhaps the recovery after 1933—and particularly the relatively small number of bank failures after that year—accounts for the fact that the legislation's major function, that of guarding communities—and the nation—against the economic shock of bank failures, has been so much neglected. The same reason may account for the fact that the difficulties in which the American banking system found itself in 1933 are seldom thought of today.

Certainly it cannot be said that deposit insurance fixed for all time the type of banking system which the nation will have. Far-reaching changes have occurred since 1933 and are still under way. Nevertheless, it is suggested here that, at one of those rare moments in history when almost anything is possible, deposit insurance was advanced and accepted as a method of controlling the economic consequences of bank failures without altering the basic structure of the banking system; it thus provided a rallying point for men formerly in disagreement and confounded in equal measure those who did not admit a need for government action and those who sought fundamental reorganization of the banking structure.

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ECONOMIC PERSPECTIVES IN EASTERN EUROPE*

POST-WAR changes in the states of Eastern Europe that are subject to Soviet influence have been unprecedented in magnitude and speed. Especially significant, in both scope and direction, have been the changes in economic development. The establishment of a socialist economic system has been accompanied by a strenuous drive to attain industrial maturity.

Since the death of Stalin the economic position of the area has been affected by various policy modifications.[1] Among other things, the tempo and methods of industrialization have been altered; the character of Soviet–East European relations has been redefined; and new facets of relations among the East European states have been revealed. Such developments indicate that the region has entered on a new stage in its economic evolution. It is time, therefore, for a reappraisal of the forces and trends that will shape both the economic and probably also the political future of the Soviet bloc.

This essay will first survey Eastern Europe's economic development before Stalin's death and then examine existing economic patterns and their implications.

I. *The Early Postwar Years*

The impact of Soviet expansion varied from country to country in Eastern Europe, but every country had to bear the burdens produced by exploitation, the redirection of trade, postwar reconstruction and a structural reorganization of the economy. All these developments, too, helped to produce and maintain Soviet economic control over the area.

It should be remembered, too, that although Soviet behavior toward these countries sometimes appeared paradoxical, it was

*This essay was undertaken as part of an inquiry into the foreign economic relations of the Soviet bloc that was conducted from 1956 to 1959 by the Department of Foreign Affairs at the University of Virginia.

[1] Eastern Europe is meant to include Poland, Czechoslovakia, East Germany, Hungary, Rumania and Bulgaria. Because of its relatively insignificant rôle, Albania is generally excluded unless it is mentioned specifically.

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also quite understandable in the light of Soviet domestic needs and of the unstable international conditions. Having decided to press forward for unilateral control of Eastern Europe, the USSR could never be sure what would be the response of the West to any given Soviet step toward that goal. Its promotion of "friendly governments" from 1945 to 1947 consisted of a series of improvisations which were made possible by the repeated failure of the West to respond vigorously to any specific Soviet advance. Yet at any given moment, the USSR could never be sure how successful the next move would prove to be.[2]

The Soviet Union's problem was complicated by its internal situation. It was imperative to move speedily toward recovery from wartime destruction of the economy, but speedy recovery was impossible without outside aid. Soviet political actions in Eastern Europe precluded western aid. It could come only from the area under Soviet control; hence the bifurcation that showed itself in Soviet economic activities in that region. Sometimes certain concessions would be made so as to help establish "friendly governments"; while simultaneously the Soviet authorities would be engaged in programs of confiscation of property, dismantling of equipment, and other forms of exploitation that were designed to prime the pump of Soviet economic rehabilitation.[3]

Legal justification for Soviet confiscations and exploitation was found in the terms of peace treaties and in special agreements. Among such terms were war-booty clauses, claims to

[2] *Cf.* pertinent sections in W. H. McNeill, *America, Britain and Russia: Their Cooperation and Conflict, 1941-1946* (New York, 1953); Arnold and Veronica Toynbee (eds.), *The Re-alignment of Europe* (New York, 1955); Isaac Deutscher, *Stalin: A Political Biography* (New York, 1949); Barrington Moore, Jr., *Soviet Politics: The Dilemma of Power* (Cambridge, 1950); Stephen D. Kertesz (ed.), *The Fate of East Central Europe* (Notre Dame, 1956).

[3] The relatively minor economic concessions adopted in pursuit of Soviet political objectives included short-term credits and the delivery of foodstuffs and raw materials to Poland, Rumania and Bulgaria from 1945 to 1947, when communist control was being advanced considerably. Specific details are in United Nations, *Economic Survey of Europe for 1957*, chap. VI, pp. 55-57; Margaret Dewar, *Soviet Trade with Eastern Europe, 1945-1949* (New York, 1951); R. R. Betts (ed.), *Central and South East Europe, 1945-1948* (London, 1950); Kertesz, *op. cit.*

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German assets, restitution of Soviet property, and reparations. A much-used technique, especially in Rumania and Hungary, was the organization of joint-stock corporations. The ultimate control of the large companies operating in major sectors of the economy of each country was vested in Soviet hands until 1954. Equally notorious was the special reparations agreement signed with Poland in 1945 which stipulated annual deliveries of Polish coal to the Soviet Union at nominal prices in return for Soviet abandonment of remaining German assets in the newly acquired "western territories" of Poland and the delivery (unfulfilled) of 15 per cent of German reparations received by the Soviet Union. Finally, outright plunder throughout 1945 and 1946 also contributed to the flow of economic assets into the Soviet Union.[4]

These unrequited East European exports to the Soviet Union complemented substantial increases in Soviet–East European trade immediately after the war. The reorientation of East

[4] Lack of specific data permits only a rough estimate of the value of assets acquired by the Soviet Union. Various sources indicate that reparations alone from East Germany, Rumania and Hungary totaled at least $4,630 million in 1938 prices (more than doubled in postwar prices). The value of equipment dismantled by Soviet forces in the new Polish lands by August 1945 was officially admitted to be $500 million in prewar prices. Polish coal deliveries until 1954 totaled approximately 52 million tons and constituted a Polish loss in revenue of at least $650 million. These enumerations alone indicate a conservative estimate of more than $10 billion in postwar prices accrued by the Soviet Union, excluding the value of goods taken without formalities. Further gains came from the confiscation of Italian assets in the Balkans, profits from favorable price structures imposed in trade agreements, continued income from joint-stock corporations, and other comparable practices that lasted to 1954. Additional details are in Nicolas Spulber, *The Economics of Communist Eastern Europe* (New York, 1956), pp. 166-224; *idem*, "Soviet Undertakings and Mixed Companies in East Europe", *Journal of Central European Affairs*, vol. XIV (1954); J. Wszelaki, *Communist Economic Strategy: The Role of East-Central Europe* (Washington, 1959), pp. 66-71 and 122-123; R. L. Wolff, *The Balkans in Our Times* (Cambridge, 1956), pp. 344-345; Harry Schwartz, *Russia's Soviet Economy* (New York, 1954), pp. 599-600; T. P. Alton, *Poland's Postwar Economy* (New York, 1955), p. 280; pertinent sections in J. Marzcewski, *Planification et croissance économique des démocraties populaires* (Paris, 1956), vol. I; J. P. Nettl, *The Eastern Zone and Soviet Policy in Germany, 1945-50* (New York and London, 1951); *Betts; op. cit.;* Oscar Halecki (ed.), *Poland* (New York, 1957); S. J. Zyzniewski, "Coal in Poland's Economy and Foreign Trade", *Journal of Central European Affairs*, vol. XIX (1959).

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European trade both reflected postwar conditions and coincided with Soviet political objectives. The prewar German market had collapsed and a dearth of traditional East European exports to the West (notably, foodstuffs and raw materials) discouraged an immediate resumption of trade in this direction; so did Western Europe's initial inability to meet the capital goods requirements of East European reconstruction. These conditions and vigorous Soviet actions led to a series of bilateral agreements, usually on an annual basis, between the East European countries and the Soviet Union.[5] Simultaneously, intra-East European trade relations expanded.

Despite the gradual decline in 1947 and 1948, the Soviet Union became the largest, single trade partner of these states. The reorientation of East European trade is illustrated by comparison of prewar and postwar data. The Soviet share of East European trade in 1938 was less than 1 per cent. It had risen to about 50 per cent in 1946 and, although it declined to about 30 per cent in 1948 and went even lower in the next year, the increase remained striking and abetted the Soviet Union's efforts to establish its ascendancy over the region. Meantime, intra-East European trade had risen by 1948 to 22 per cent of the area's total turnover, as compared to less than 15 per cent before the war.[6]

There were comparably important developments within the economies of the East European states during these first post-

[5] *Cf.* Mid-European Law Project, V. Gsovski (ed.), *Economic Treaties and Agreements of the Soviet Bloc in Eastern Europe, 1945-1951* (New York, 1952).

[6] Eastern Germany is excluded from these comparisons for obvious reasons. Generally, the Soviet Union's exports to these states consisted of raw materials and the amounts of machinery required to set production in motion. Its imports were frequently finished products made from earlier exports and raw materials suitable for reconstruction. Although the Soviet Union was a net importer during these years, various exogenous methods were used to maintain a balance, including a discriminatory price structure inserted in the trade agreements. Data on volume and commodity composition are in: League of Nations, *International Trade Statistics, 1938* (Geneva, 1939); Dewar, *op. cit.;* Alexander Gerschenkron, "Russia's Trade in Postwar Years", *Annals of the American Academy of Political and Social Science,* May 1949, pp. 85-100; U.S. Congress, House Report No. 1845, *Final Report on Foreign Aid* (Washington, 1948); U.N., *World Economic Survey for 1955* (New York, 1956), pp. 112-114; Spulber, *op. cit.,* pp. 415-424.

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war years. Wartime destruction made recovery an urgent and burdensome matter. *Pari passu,* major institutional changes compounded the strains. The drives to raise production to prewar levels were accompanied by land reforms and the nationalization of most industry, banking and trade. The dynamics of reconstruction and reorganization differed in each country but the pace of nationalization was rapid. Nonetheless, the gross value of industrial production in each state by 1949 exceeded the prewar totals.[7] These achievements came about as international tensions increased and Soviet reconstruction was being completed. This combination of circumstances in which Soviet control of Eastern Europe was secured, international tensions accelerated and prewar economic levels reached foreshadowed a new phase in East European developments.

II. *Soviet Tutelage Intensified*

The Soviet success in promoting "friendly governments" in Eastern Europe over the protests of former allies was a major influence in the decision of the United States to adopt a policy of containment. The Truman Doctrine, followed by the announcement of the Marshall Plan, impelled the Soviet Union, in turn, to reappraise its policies toward Eastern Europe and redefine its economic plans for that region. Among other changes, this was to lead to a greater correlation between economic policies and over-all Soviet strategic objectives.

[7] Detailed information on wartime damages in Eastern Europe is in the U.N.R.R.A. operational analysis reports, Nos. 11, 16, 23, 27, 30, 33, 35, 44, 46, and 47. In 1947, Poland and Hungary adopted Three Year Plans of reconstruction, while Bulgaria and Czechoslovakia began plans of two-year duration. Formal two-year plans of recovery were not begun by Rumania and East Germany until 1949. Over 90 per cent of East European industry (exclusive of East Germany) was nationalized by 1949. Agriculture, however, was not extensively collectivized or nationalized at this time. Land reforms did involve about 25 per cent of the region's arable areas and the process of redistribution changed substantially the pattern of land ownership, increasing the number of small and medium-size land holdings. Industrial output by 1949 did not reach prewar levels uniformly, the share of light industry in total production usually being smaller than before the war. Further details on the programs of recovery and nationalization are in U.N., *World Economic Survey for 1955,* pp. 90-91; Spulber, *op. cit.,* pp. 47-87, 131-165, 224-247; and appropriate sections in Kertesz, *op. cit.*

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Given the Soviet interpretation of the Marshall Plan as simply a veiled western attempt to preserve interests in Eastern Europe, as well as Stalin's conviction that the economic collapse of capitalism was imminent, this response was not surprising. The economic aspects which affected Eastern Europe included a severe reduction of commercial contacts with capitalist countries, closer ties with the Soviet Union and a rapid expansion of industrial capacity. These measures would simultaneously serve ideological interests and power politics. They marked out the major lines of East European economic development until 1953.

Soviet economic relations with Eastern Europe had to be modified accordingly. Although some devices of exploitation could be maintained, crude spoliation had to cease. The promotion of bloc industrialization required external aid and some coördination of resources. The Soviet Union had to supply credits, raw materials and markets that were needed to prime East European industrialization. The expansion of intra-East European trade and the formation of a supranational Council for Mutual Economic Aid (CEMA or COMEKON) partly reflected the effort made toward greater regional coördination.

Soviet credits flowed to Eastern Europe between 1948 and 1951, generally estimated to amount to more than $790 million.[8] By mid-1948, a series of bilateral trade agreements was concluded between the Soviet Union and its satellites, usually extending for five years and providing for larger exchanges. Similar bilateral trade and coöperation pacts among the East European states themselves were speedily effected throughout the following year. Designed to speed up industrialization, these agreements in effect made Eastern Europe largely dependent upon Soviet exports and increased intra-bloc trade in lieu of relations with the West.

The formation of CEMA in January 1949 was another step in the consolidation of the bloc. Although greater coördination was its primary aim and two subsequent conferences were held before Stalin's death, the organization apparently existed more as a symbolic gesture than a working reality during these years. Intra-bloc relations and agreements continued mostly on a bilateral basis.

[8] A compilation of most of the credit arrangements is in U.N., *Economic Survey of Europe for 1957*, chap. VI, pp. 55-58; Wszelaki, *op. cit.*, pp. 71-73.

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Against the background of these developments, shaped by Soviet long-range interests, plans for the accelerated expansion of East European economies were formulated.

The Industrialization Drives.[9] Common to all East European economic plans was the inordinate emphasis on industrial expansion. But the original schedules for investments were apparently unsatisfactory from the Soviet point of view because in 1950 upward revisions for many industrial branches were made in all of the East European plans. These revised plans assigned a progressively increasing share of the national income (ranging from 20 to 30 per cent) for new investments during the plan period. More significantly, these investments were concentrated upon the industrial sectors. Nowhere did heavy industry alone have less than 35 per cent of the gross annual investments, and this share rose to 47 per cent in Hungary. A methodical stress was given to increased production in the engineering or machine-building branches directly related to future economic potential (mining equipment, locomotives, turbines, etc.), as well as to armaments.

In the face of this emphasis upon the development of heavy industry, lower percentages of investments were naturally allocated to the sectors of agriculture and light industry. Except for Bulgaria, nowhere was agriculture to receive 15 per cent of annual investments. All of the East European light industries were allocated less than 10 per cent. Summarily, the region's economic development was made to follow earlier Soviet experience, including agricultural collectivization—notwithstand-

[9] Dates of the respective plans varied. The Czechoslovak plan extended from 1948 to 1952. The Hungarian and Bulgarian Five Year Plans were begun in 1949, while Poland adopted a Six Year Plan in 1950. Rumania and East Germany implemented Five Year Plans in 1951. By subsequent short-term plans, all of the states but Bulgaria managed to fall in step and begin the second quinquennium in 1956. Complete chronological synchronization was expected in 1960. Data and details of economic development to the end of 1955 can be gleaned from the following sources: U.N., *Economic Bulletin for Europe,* vol. III, No. 1 (1951); U.N., *Economic Survey of Europe Since the War* (Geneva, 1953), pp. 30, 59 *et seq.*, 277; *Economic Survey of Europe for 1955,* pp. 208-246; *1956,* A-35 to A-45; *World Economic Survey, 1955,* pp. 96-110; *1956,* pp. 235-244; Spulber, *op. cit.,* pp. 253-281; *Annals of the American Academy of Political and Social Science,* CCCXVII (May 1958), 24-25.

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ing the different stages of industrial development among the countries in the region.[10]

Despite the avowedly supranational objective of CEMA, moreover, and although the Soviet strategic aim was autarchy for the socialist bloc as a whole, each country's plan was drawn up with a view to realizing national "self-sufficiency".

By the time of Stalin's death, Eastern Europe's economic expansion, especially in industry, was impressive, on the surface at least. The gross industrial output of five countries (excluding East Germany) at the end of 1953 was 119 per cent above that of 1949; and the share of industry in the gross national income of each state had been raised to more than 50 per cent, Czechoslovakia leading the way with 70 per cent. As had been preordained, the achievements in heavy industry were substantial. Producers goods, which had constituted 56 per cent of all industrial production in Eastern Europe in 1949, surpassed 60 per cent in 1953. Finally, within the heavy industrial sector, the engineering branches registered some of the highest increases and many of them were completely new industries.

Impressive as these achievements were, they did not indicate the true state of Eastern Europe's economic position. In each country the process of rapid industrialization, which was by no means perfect in execution, had produced strains and imbalances that threatened to distort the pattern of expansion. This was especially true in Czechoslovakia and Hungary.

Of all the causes of trouble, the most important was the failure to maintain coördination among the different sectors of the economy or even among the different parts of each sector. Technical miscalculations helped to produced this difficulty. For example, underestimation of the amounts of raw materials and investments needed for expansion was responsible for the failure of industries producing raw materials, fuel and power to keep pace with the growth of manufacturing. Consequently,

[10] Increases in gross output in three countries compared to the year preceding the plans were as follows:

	Heavy Industry	*Light Industry*	*Agriculture*
Polish plan	154	111	50
Czech plan	130	70	53
Hungarian plan	280	145	54

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the latter could not operate at full capacity. In the beginning, the shortage of raw materials was partially made up by Soviet deliveries. But the need grew too rapidly and the Soviet Union could not simply tailor its economy to meet East European requirements indefinitely. Thus bottlenecks increased and further expansion was markedly hampered.

Agricultural production suffered from underinvestment and from collectivization. Although one fourth of East European agriculture was placed under socialist control by 1953, peasant recalcitrance led to the destruction of livestock and a reduction in sown acreage. Except for Bulgaria, no country reached prewar levels of production or utilization of arable land; and all fell short of planned production. These failures, coming at a time of growing urbanization, led to serious food shortages.

This deterioration was paralleled by rising shortages of consumer goods. An inflationary trend resulted, reducing real wages and per capita consumption. This depressing effect was soon expressed in a decreasing rate of growth in labor productivity everywhere. Absenteeism and nonfulfillment of quotas became common. Per capita labor productivity in each country fell by more than 5 per cent by 1953.

Some of these adverse trends appeared in the Soviet economy as well as in those of East Europe. By 1953 they could be ignored no longer. They combined with Stalin's death and the uncertainty of the succession to induce the new Soviet leadership to change its policies both at home and in East Europe.

The changes made in East European plans during the latter half of 1953 aimed at certain over-all objectives: notably, a deceleration in the growth of total industrial output, a reallocation of some investments to reduce distortions within and among sectors, and a slight, upward revision in levels of consumption. Hungary adopted the most drastic revision. Czechoslovakia followed closely with a 75 per cent decrease in the rate of growth of industrial production. Curtailments in other states exceeded 50 per cent.

The removal of industrial bottlenecks was sought by lessening the rate of expansion of some branches and not by greatly increased investments in those sectors that had fallen behind. Some large projects were abandoned and quotas of manufacturing industries were reduced to permit better coördination with branches supplying basic materials. By 1954, most rates

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of increase in the production of capital goods were equal to or less than total industrial output, a reversal of what prevailed in the 1949-1952 period.

Modest shifts of investment (5 to 10 per cent increases in agricultural and consumer goods production) were made to reduce the glaring disparity between consumption levels and industrial expansion. Nor was there a complete reversion to pre-1953 policies even after Khrushchev once again stressed the primacy of heavy industry although his policy change did show effects in Eastern Europe by the end of 1954. Nevertheless, mild efforts continued to be made to improve consumption and to reduce economic imbalances.[11]

A varied picture of economic development in Eastern Europe emerged by 1956. Over-all achievements still appeared considerable. Gross industrial output in the area has been estimated to have increased 150 per cent over 1949 levels, with the industrial labor force having grown 20 per cent. The share of industry in the net material product of each country rose by 8 to 13 per cent, exceeding 50 per cent of each state's product.

The aggregate goals of industrialization were reached and even surpassed, but the rhythm of expansion was still very unsteady. There were sectors that failed to reach established goals. As might be expected, the highest degrees of plan fulfillment were in branches assigned greater priorities: metallurgical branches, engineering industries, electric power. Other branches closely linked to industrialization (as transportation) also registered significant increases. Two major imbalances persisted, however, and threatened to disrupt East European equilibrium: an insufficient flow of basic fuels and materials and the continued lag in agricultural and consumer goods production. The latter contributed greatly to the social tensions that burgeoned ominously in Poland and Hungary during the post-Stalin period of relative liberalization. The economic short-

[11] Increased investments for light industry and for agriculture raised their respective shares in total investments between 10 and 15 per cent and between 15 and 20 per cent. See Spulber, *op. cit.*, pp. 356-357; *World Economic Survey for 1955*, p. 99. Incentives for greater agricultural production after 1953 included price increases and quota reductions for compulsory deliveries, reductions in taxes and official reassertions that collectivization had to be voluntary. Withdrawals were even permitted in some countries.

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comings of the first period were soon to be felt in an explosive fashion.

Impact Upon Trade

Although East European economic plans originally followed the Soviet model as closely as possible, the area's foreign trade was quite different from that of the Soviet Union. It had played a relatively insignificant rôle in Soviet industrialization (except in the First Five Year Plan period), but it had to play a vital part in Eastern Europe. Available natural resources were grossly inadequate for sustaining the highly ambitious industrial programs. Moreover, the area was incapable of exporting large quantities of food and raw materials in return for investment goods. Finally, political considerations and the exigencies of the cold war determined the direction of East European trade. Consequently, after 1949, the Soviet Union assumed the dominant rôle both as the chief source of supply for Eastern Europe and as the major market for the region's products. Of only slightly less significance was the sizable expansion of intra-East European trade, while the volume of trade with non-bloc countries gradually shrank during the first years of the plan period.

Trade data reveal the trends described by Stalin as the formation of a second, *socialist* world market. With the start of industrialization in Eastern Europe, the Soviet share of East European trade increased consistently from less than 30 per cent in 1949 to almost 39 per cent in 1953. Concomitantly, intra-East European trade expanded from 22 per cent of the area's total turnover in 1949 to more than 32 per cent by 1953. Therefore, more than 70 per cent of East European trade in 1953 was of Soviet and intraregional origins.[12]

[12] The reader is reminded of the uncertainties in any dollar estimates of intra-bloc trade, owing to discrepancies inherent in conversion at official rates of exchange and to data occasionally derived from indices. Estimates should be viewed as indicators of magnitude and not as precise statistics. References to the broader features of East European trade are based on data derived from *Economic Survey of Europe for 1954*, pp. 112-131; *1955*, pp. 178-183; *1957*, chap. VI, pp. 1-16 and B-15; *World Economic Survey for 1955*, pp. 110-122; U.N., *Yearbook of International Trade Statistics* (New York, 1958), vol. 1, pp. 104-6, 162-165, 230-232, 282-284, 471-473, 570-576; *Economic Bulletin for Europe*, vol. VIII, No. 2, pp. 43-82; V. Alkhimov and V. Mordvinov, *Foreign Trade of the U.S.S.R.* (London, 1958), Soviet Booklet No. 37.

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This development, however, was not without its serious complications and strains, stemming from the concept of autarchy and the disproportionate emphasis upon heavy industry. Within the framework of bloc "self-sufficiency", the Soviet Union had to contend simultaneously with problems of its own industrial expansion while it promoted bloc industrialization. This required a high degree of selectivity in trade with Eastern Europe, so that Soviet exports of capital equipment and basic materials could be counterbalanced by imports which fostered Soviet development. The commodity composition of this trade reveals the attempt made in this direction.[13] But these attempts could not be wholly successful, especially after the Soviet Union assumed additional burdens related to Chinese industrialization. Limited trade with the West had to be tolerated, precluding "self-sufficiency". But the West's embargo policy after 1949 severely limited the opportunity even along these restricted lines and the capital goods hunger of the Soviet bloc could not be satisfied. Consequently, at the start of the 1950's, the expansion of the industrial base of the Soviet bloc was accompanied by a rise in foreign trade (notably intra-bloc), but at a rate insufficient for meeting the needs for capital goods.[14]

Some similarity of import requirements between the Soviet Union and Eastern Europe made it apparent that these had to be met outside the bloc, to which may be added the need of the Soviet Union's industrial growth for greater flexibility in its own program and commitments. Within the context of these considerations alone, a revision of the official attitude toward world trade was necessary. It began in the latter part of 1951 and climaxed with an International Economic Conference held in Moscow in April 1952. "Trade on mutually advan-

[13] See *Economic Survey of Europe for 1954*, pp. 258-259; L. Herman, *Foreign Trade of the U.S.S.R.*, Report No. A-6, Council for Economic and Industry Research (Washington, 1954), pp. 18-36.

[14] By 1951, the West's export of machinery and vehicles to the Soviet bloc was only one third of what it had been in 1949. This attenuation of East-West trade notwithstanding, machinery imports by the bloc continued to exceed prewar totals. See *World Economic Report for 1950-1951* (New York, 1952), pp. 110-112; *Economic Bulletin for Europe*, vol. III, No. 2, pp. 52 and 60. In these years, East European trade generally increased at a rate *below* that of industrial expansion. *World Economic Survey for 1955*, p. 112.

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tageous terms" was now stressed as part of the effort to alter the West's embargo policy.[15]

Certain features of the industrialization programs likewise contributed to the growing strains. Soviet economic growth after 1928 was based on high annual investments in sectors producing heavy capital goods. Gradually, economies of scale were possible, along with those coming from increasingly skilled labor and management. On the other hand, this emphasis was not placed on the nonindustrial sectors, e.g., agriculture and the extractive industries, which originally had to contend with greater inflexibility (limits to arable land and the amount of high-content, low-cost deposits). Among other results, there was a slower pace of development, along with a shift in the relative costs of production to the disadvantage of these nonindustrial branches of the Soviet economy.[16]

Consequently, the need for a faster increase in the output of raw materials in order to maintain the desired pace of Soviet industrial progress grew more apparent. When this phenomenon is viewed alongside the steadily increasing dependence of Eastern Europe upon Soviet supplies of raw materials, the pressures for greater exploitation and greater rationalization in the disposition of natural resources within the bloc can be seen.

Meantime, East European emulation of Soviet industrial experience also fostered a parallel distortion. Inordinate expansion of the industrial-processing sectors outstripped the growth of fuel and basic materials production (including agricultural products). Natural resources consistently failed to keep pace with industrial growth. Simultaneously, ever larger require-

[15] One account of changing Soviet views on trade with capitalism at this time is by L. M. Herman, "The New Soviet Posture in World Trade", *Problems of Communism*, vol. III, No. 6 (1954), pp. 9-16.

[16] Further discussion of this phenomenon may be found in Robert L. Allen, "Economic Motives in Soviet Foreign Trade Policy", *Southern Economic Journal*, vol. XXV, No. 2 (October 1958), pp. 189-201; J. S. Berliner, "Soviet Foreign Economic Competition", *American Economic Review* (Papers and Proceedings), vol. XLIX, No. 2 (May 1959), pp. 38-41. Additional details may be culled from L. Turgeon, "Cost-Price Relationships in Basic Industries During the Soviet Planning Era", *Soviet Studies*, vol. IX, No. 2 (October 1957), pp. 143-177, while evidence of an oblique nature is in Kisman and Slavny, *Sovetskie finansy v piatoi piatiletke (Soviet Finances under the Fifth Five Year Plan)* (Moscow, 1956), p. 63.

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ments of raw material imports were further stimulated by the autarchical orientation of each bloc member. From the Soviet point of view, therefore, while greater intra-bloc trade and East European dependence upon Soviet exports reflected strategic and/or political considerations, complex economic pressures were also generated, not the least of which was rooted in the availability and the rational utilization of natural resources.

In summary, Stalin's attempt to achieve maximum aims regardless of social and economic costs could no longer continue without endangering further growth within the bloc. Stalinism now displayed sclerotic tendencies as a domestic policy, as a form of economic control over Eastern Europe, and as a foreign policy. His fortuitous death permitted his successors to move immediately toward correcting some of the irrationalities that had mushroomed.

III. *Post-Stalin Changes*

The many factors involved in the changes in Soviet policies since the death of Stalin lie beyond the purview of this essay. With reference to the economic position of Eastern Europe, the motivation behind many of the innovations was a desire to restore the rhythm of industrial expansion.

The modest revisions introduced into the East European plans by 1954 reflected the tensions arising out of depressed living standards. This reaction to consumer pressures was soon followed by parallel changes in Soviet–East European economic relations. The Soviet Union in August 1953 announced the end of East German reparations by the end of that year. The notorious Soviet-Polish coal agreement, ostensibly linked to the flow of these reparations, also became inoperative. Soviet-owned enterprises were returned to the East Germans and during 1954 many of the joint-stock corporations in Rumania, Hungary and Bulgaria were liquidated (the process being completed in 1956).[17]

[17] The official Soviet statement asserted that German reparations would total $4,280 million (in prewar prices) by the end of 1953. The 34 Soviet-owned corporations that functioned in East Germany in 1951 were apparently returned in 1954. See Ulrich Drobnig, "Soviet Corporations in East Germany", *Journal of Central European Affairs,* vol. XVII (July 1957). An approximate estimate of Polish losses due to coal deliveries to the Soviet Union from 1945 to 1953 exceeds $650 million. See the author's "Coal in Poland's Economy and Foreign Trade", *loc. cit.* Soviet shares of the joint-

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Whether motivated by the desire to lend authenticity to the new posture of peaceful coexistence, or by the conclusion that such techniques were no longer necessary to safeguard Soviet ascendancy and ran counter to a new concept of intra-bloc relations, these actions did imply the start of a new era.

These changes had their counterparts in the foreign trade picture of Eastern Europe. Impelled partly by the logic of the region's industrial expansion, partly by the need for greater flexibility within the new foreign policy posture, the Soviet leadership softened its view regarding non-bloc trade. A high degree of interdependence had evolved in bloc trade by 1953, but much of it had been tailored by political considerations. About 77 per cent of Eastern Europe's trade was within the "second, socialist world market" (which included China and North Korea), but larger markets for newly established manufactures and a greater flow of basic materials could not be found there economically under existing conditions. Many of the previous imports had been financed by Soviet credits, now expiring. The new Soviet concessions had also increased the export potential of these countries just at a time when some redirection of trade could serve Soviet domestic and foreign interests. These were among the factors which loosened the strait jacket around East European trade after 1953. Non-bloc trade increased.

Although Eastern Europe's trade within the bloc expanded somewhat after 1953, its non-bloc trade rose six times. The region's non-bloc trade registered an over-all increase of 8 per cent, so that intra-bloc trade shrank to less than 69 per cent of Eastern Europe's total turnover by 1956. This redirection hinged on increases with Western Europe and on the unprecedented trade activity among the underdeveloped countries of Afro-Asia.[18]

stock corporations were to be purchased by the host country, but the debts from these transactions that remained after the October 1956 events were canceled.

[18] Trade data have been derived from *Economic Survey of Europe for 1957*, chap. VI; *Yearbook of International Trade Statistics for 1957;* V. Borninov, M. Sladkovskii and D. Fronkin, *Vneshniaia torgovlia S.S.S.R.s sotsialisticheskimi stranami (Foreign Trade of the U.S.S.R. with the Socialist Countries)* (Moscow, 1957); *Economic Bulletin for Europe,* vol. IX, No. 2, pp. 35-67; vol. X, No. 2, pp. 36-77; vol. X, No. 3, pp. 26-29.

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A primary motive behind the expansion of trade with Western Europe stemmed from Eastern Europe's urgent need to meet planning priorities and, above all, to relieve depressed living conditions. Although its imports included steel and transport equipment, more than half of the increases consisted of foodstuffs and consumer goods. In fact, import surpluses were registered in 1954 and 1955 by the region, the reverse of its prewar and early postwar position.[19]

The most dramatic expansion of non-bloc trade appeared in the exchanges with underdeveloped countries. Total trade turnover increased over 2½ times more between these two areas than had trade between Eastern and Western Europe. Admittedly, the expansion began at a low point and the share of Afro-Asian trade in East European turnover rose to only 7 per cent (the West European share being almost 25 per cent). Its importance, however, rested upon political implications, and upon the immediate advantages for the Soviet bloc's efforts to reduce raw materials difficulties.

There is much convincing evidence to indicate that the economic activities of Eastern Europe among the underdeveloped countries have been based primarily upon political motivations associated with the Soviet posture of peaceful coexistence. Nonetheless, other indications point to some economic complementarism that has functioned as well.[20] Structural changes within the Soviet economy (referred to previously) and the implied strains upon Soviet natural resources arising from bloc industrialization have facilitated the enlargement of trade with primary-producers in Afro-Asia. To a certain extent, economic requirements in Eastern Europe (increased needs for raw materials and foodstuffs) could be partly satisfied in a manner that simultaneously served the political objectives of the Soviet

[19] East European exports to Western Europe consisted of small increases in manufactured goods and a swing away from those raw materials and agricultural products (as cereals) which characterized the prewar pattern to other crude and semifinished articles now more readily available (as forest products, coal and petroleum products). See *Economic Bulletin for Europe*, vol. X, No. 2, pp. 43-46.

[20] One analysis of some economic factors operating in Soviet-bloc trade with underdeveloped countries is in the author's "The Soviet Bloc and Under-developed Countries: Some Economic Factors", *World Politics*, vol. XI, No. 3 (April 1959), pp. 378-398.

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bloc. To the degree that the East European states can export manufactured goods and equipment in exchange for needed raw materials, the Soviet Union is relieved from supplying them, thereby acquiring greater flexibility in meeting other commitments and avoiding purchase of some East European capital goods not particularly needed but which aid Eastern Europe's balance of payments.[21]

Within the relative liberalization of policy following Stalin's death, there were no indications that the Soviet Union intended to reduce its economic tutelage of Eastern Europe. Rather, efforts to relieve tensions also sought to enhance greater economic coördination within the bloc and continued Soviet ascendancy. This purpose was also abetted by governmental reorganization first begun in the Soviet Union in 1955 and subsequently emulated elsewhere.

Soviet concern over the availability and utilization of natural resources ran throughout the numerous changes of policies in intra-bloc relations and in attitude toward non-bloc trade.[22] Commitments for bloc industrialization (including China) and a decline in the rate of Soviet industrial growth portended severe strains in the raw materials picture. "Self-sufficiency" for the bloc remained the ultimate goal, but the luxury of an autarchical orientation for each member of the bloc had to be reconsidered. Greater economic coördination could achieve economies of scale, relieve pressures upon Soviet resources, and

[21] Particularly revealing is that Eastern Europe's trade with the Afro-Asian states since 1954 has surpassed that of the Soviet Union, and at a time when international terms of trade have favored industrial commodities. By 1956, whereas 15 per cent of Soviet exports to primary producers consisted of machinery, more than one half of Czech and East German exports to these countries were in this category. By this time, the capital goods in Hungarian, Czech and East German total exports comprised more than 30, 40 and 60 per cent, respectively. See *World Economic Survey for 1955*, pp. 63-66; U.N., *Statistical Yearbook, 1957*, pp. 434-435. Between 1953 and 1957, East European trade volume with eight of the major Afro-Asian states was two to three and a half times the annual volume of Soviet trade. *World Politics*, vol. XI, No. 3, pp. 381-383.

[22] Malenkov drew attention to shortages as early as August 1953 which, he averred, not only threatened the Soviet Union's development but also endangered its control of Eastern Europe. See G. Lias, "Satellite States in the Post-Stalin Era", *International Affairs* (London), vol. XXX, No. 1 (January 1954), pp. 40-49.

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afford greater flexibility in the pursuit of Soviet foreign and domestic interests.

The campaign for greater economic coördination made its appearance in a rash of East European and Soviet writings which questioned the wisdom of individual autarchy and other policies that encouraged a waste of raw materials. Throughout 1953 and 1954, emphasis was placed on the need to eliminate "harmful parallelism", and on the argument that an international division of labor would promote a more economic utilization of resources.[23]

A specific indicator of a new policy came with the announcement of 1954 that the new East European plans (Bulgaria's excepted) were to begin simultaneously in 1956, with the start of the Soviet Sixth Five Year Plan. Further signs appeared in bilateral agreements negotiated by bloc members. Some of the stipulations sought to synchronize production and investment in certain branches of engineering industries and in the manufacture of consumer goods. Unlike earlier practices, these agreements were concluded before the final formulation of the new plans, giving the countries involved an opportunity for a better evaluation of cost relationships. Meantime, administrative reorganization and some decentralization also were introduced into Eastern Europe.[24]

The most striking evidence of the desire for greater coördination was the heightened activities of CEMA after 1954. Previously moribund, this organization displayed greater vigor now and the frequency with which its various branches met underscored the aim of Soviet leadership. From June 1954 to September 1956, approximately sixteen meetings of different sections of CEMA were reported.

Khrushchev's pronouncements at the XX Party Congress in 1956 stirred the communist world. Among them was the emphatic assertion that there was now "no need for every socialist country to develop necessarily all branches of heavy industry as the Soviet Union was compelled to do" but that each "can

[23] An earlier example is in the extracts of the Hungarian article entitled "Optimum Returns and the International Division of Labor" and reprinted in *Economic Survey of Europe for 1954*, pp. 131-135.

[24] See *Economic Survey of Europe for 1954*, pp. 128-129; *World Economic Survey for 1955*, pp. 264-271; *Economic Survey of Europe for 1956*, chap. I, pp. 40-44.

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specialize in the development of those branches of industry for which it has the most favorable natural and economic conditions." This would free "considerable resources . . . and . . . satisfy even more fully the material and cultural requirements. . . ." [25] This thesis was developed later by the Soviet and East European press.

The May 1956 meeting of CEMA in East Berlin had crucial significance in that its decisions were guided by the Khrushchev thesis. A specific project aiming at greater specialization in the engineering industries was proposed by Soviet representatives and adopted. It provided for the distribution or redistribution of approximately six hundred groups of machine products among the bloc members. Another change was made when previously *ad hoc* committees were converted to standing bodies to provide for better allocation of resources among branches of the national economies.[26]

Meantime, the strains and imbalances that had already been responsible for the downward revisions of the first plans made it apparent that the goals set for the 1956-1960 period also were too ambitious. Each state scaled down its goals for heavy industry.

The nearly synchronized five-year plans of the bloc were put into effect in 1956. The industrial share of gross investments was reduced by 3 to 7 per cent (thus ranging from 18 to 25 per cent of annual national incomes), while the planned rate of expansion in industrial production was scaled down by 29 to 55 per cent (Poland and Hungary experiencing the largest reductions). This over-all decline was accompanied by somewhat larger investments in agriculture and housing, and in consumer products (Poland and Hungary again leading the trend). The goals for East European industrial production still remained ambitious, the 1960 achievements to be 50 to 90 per cent above levels attained in 1955. These targets were adopted on the assumption that labor productivity would rise sharply because of the modifications that had been introduced in coördination

[25] *Pravda*, February 15, 1956.

[26] See *Izvestiia*, May 27, 1956. Examples of the projected specialization in engineering sectors appear in *Economic Survey of Europe for 1956*, chap. II, p. 18. See also *Economic Bulletin for Europe*, vol. IX, No. 3, p. 18, and *East Europe*, vol. VI, No. 4 (April 1957), p. 9.

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and management. Per capita output in industry was expected to rise from 35 to 50 per cent in these years. Finally, in all the new plans there was a discernible shift away from material-intensive operations to a labor-intensive orientation.[27]

IV. *Recent Developments*

These reductions in the pace of industrialization and the adjustments in economic relations could not remove East European difficulties. The combination of de-Stalinization and intense economic grievances led to the unanticipated events of October 1956 in Poland and Hungary. Beyond the political ramifications, these developments threatened widespread economic disruptions in the bloc and obviously prompted additional Soviet concessions in order to avoid a débâcle. A further reappraisal seemed mandatory. What came was a quickening of earlier, more modest trends affecting economic planning and intra-bloc relations.

Soviet rescue operations throughout 1956 and 1957 included additional grants of credits to East European countries and some cancellation of earlier debts. The loans and aid extended during this period exceeded those that had been granted during the previous decade.[28] Concurrently, assurances that "socialist equality" would prevail in future bloc relations and that world prices would guide trade transactions were frequently emphasized in an effort to reduce national antagonisms exacerbated by earlier Soviet practices.[29]

[27] Details of these new plans are in *Economic Survey of Europe for 1956*, chaps. I and II.

[28] Nearly two thirds of the $1.26 billion in credits and grants coming from the Soviet Union went to Hungary, Poland and East Germany, and half of this involved purchases of foodstuffs and raw materials. The strain upon Soviet resources seemed apparent in that several loans included convertible currencies, a most uncommon practice. Some of the debts of Poland, Albania, Rumania and Hungary were canceled, while the occupation costs of Soviet troops in East Germany were first scaled down in 1957 before being completely eliminated at the end of 1958. See *Economic Survey of Europe for 1956*, p. 18; *1957*, chap. VI, pp. 55-58; Wszelaki, *op. cit.*, p. 74; *Economic Survey of Europe for 1958*, chap. I, pp. 7-8.

[29] A discussion of Soviet pricing policy in East European trade is in Wszelaki, *op. cit.*, pp. 59-65. Price discrimination seemed to have persisted

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The result was a marked increase in Soviet exports of raw materials to Eastern Europe in 1957. This stopgap action, however, could not reëstablish long-term stability. Further alterations in the pattern of bloc development were necessary if chronic shortages of raw materials and fuels were to be remedied. Given the considerable expansion of the heavy industrial base of each bloc member,[30] the burdens added to the Soviet economy in staving off the threatened collapse, and a greater awareness of consumer pressures, a further reallocation of resources appeared necessary. Previous planning goals were now unreal and obsolescent.

Plan Revisions. The new goals set in the Soviet and East European plans between June and November 1957 had some common features. A relaxation in the drive for new investments, evident since 1955, was further extended. A reapportionment brought more investments for housing, social services and light industry; other investments were redirected toward the completion of projects already begun. New investments were also directed toward improving the industrial pipeline, especially for sources of power and raw materials. Summarily, the over-all pattern indicated that highest priorities were given to a speedy improvement in living conditions for assuaging tensions and to a retrenchment of industrial expansion so that scarcities and bottlenecks would be relieved.

Further attention was given to cost-reducing techniques and incentives and there was some additional administrative decentralization, although the latter process was less intense than the

subsequently, as indicated in the study by Horst Mendershausen, "Terms of Trade between the Soviet Union and Smaller Communist Countries, 1955-1957", *Review of Economics and Statistics,* vol. XLI, No. 2 (May 1959), pp. 106-118. East European states have paid from 8 to 16 per cent more for some Soviet exports and have received from 12 to 15 per cent less for their exports to the Soviet Union when compared with similar transactions on the West European market.

[30] In 1957, the percentage share of industry in gross economic output of Eastern Europe was as follows: 64 in Rumania, 65 in Poland, 66 in Hungary, 68 in Bulgaria, 80 in Czechoslovakia, and 85 in East Germany. The share in the Soviet Union was 75. *Sotsialisticheskii Trud (Socialist Labor),* No. 10 (1958), p. 55, as reported in *Economic Survey of Europe for 1958,* chap. I, p. 2.

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Soviet program and contained variations required by local conditions.[31]

The combination of these measures enabled the East European states to improve their dangerous positions. In 1958, larger shares of resources were allocated to fixed capital formation, the reverse of trends in 1956 and 1957. Each country embarked upon new investment efforts by 1959 in which the rates of increase appear similar to the drives of the early 1950's. But a reversal to the uneven expansion of those earlier years has not developed because a higher priority has been accorded to consumption increases. The major techniques by which this relatively rapid rate of growth is to be maintained include a more intensive use of capital, higher labor productivity, and a smoother flow in the industrial pipelines.

Much of current East European planning is oriented toward providing incentives for better uses of resources and capacity, while over-all measures for expansion through greater rationalization anticipate a rise in labor productivity through a redistribution of the labor force, greater attention to output per unit of capital, and a broader exercise of local decision-making. A more even pace of economic development is sought, despite the lately increased tempo of industrial growth.[32]

Bloc Coördination. The strengthening of earlier trends that has characterized economic planning since 1956 has also appeared in the greater impetus given to economic integration among bloc members. The frequency with which CEMA agencies have convened and the proliferation of subunits charged with specific tasks have been the most apparent indications of this development. Concrete proposals for coördinating long-term planning have been introduced for the first time.[33]

[31] The Soviet plan was, of course, superseded in September 1957 by a Seven Year Plan to 1965. Only East Germany formally adopted a Seven Year Plan, with the remaining states retaining the old periodization of 1960 and 1965, although revisions of old targets and policies in many respects were made subsequently. See *Economic Survey of Europe for 1957,* chap. I; *World Economic Survey for 1957,* pp. 206-226; *Economic Bulletin for Europe,* vol. XI, No. 1, pp. 1-20.

[32] *Economic Survey of Europe for 1957,* chap. I; *World Economic Survey for 1957,* pp. 206-226; *Economic Bulletin for Europe,* vol. X, No. 3, pp. 26 *et seq.*

[33] More than sixty meetings of CEMA agencies are estimated to have been held between October 1956 and April 1958. Twelve major committees

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At the turning point in its relations with Eastern Europe, the Soviet leadership is prepared to harmonize these relations, providing its ascendancy remains unchallenged. Having recently borne considerable costs to forestall collapse in Eastern Europe, the Soviet Union now regards greater regional integration as an efficacious way of consolidating its power. Although the recent activities of CEMA admittedly promise some economic advantages for bloc members, they will simultaneously reinforce Soviet political hegemony over the region. The greater emphasis upon economic activities that now marks Soviet leadership was further underlined by a 1957 reorganization within the Soviet Ministry of Foreign Trade. In July of that year, the Chief Administration for Economic Relations with People's Democracies was transformed and elevated to the State Committee for Foreign Economic Relations, thereby being placed directly under the Council of Ministers.

Of more immediate consequence to Eastern Europe have been the decision and actions throughout 1958. Following the meeting of heads of Communist parties of the bloc in May 1958 at which it was agreed that long-range plans should be synchronized, CEMA representatives agreed upon some methodological devices for expediting mutual planning and specialization; among them, a standard classification for industrial branches and trade statistics and a common system for calculating national income indices.[34]

The IXth session of CEMA that convened in Bucharest in June 1958 supplied more dramatic evidence of bloc integration. The meeting agreed on a coördination of plans in their main

now function for over-all coördination. U.S. Department of State, *Notes: Soviet Affairs,* No. 223 (June 18, 1958), p. 4. Three general sessions of CEMA were convened between the summers of 1958 and 1959.

[34] Two meetings regarding differences in methodology among bloc members have been held—Warsaw in June 1958 and Berlin in April 1959—with a view toward facilitating intercountry comparability of national accounting. No full official reports seem to be available but some headway appears to have been made for a better utilization of national income statistics for purposes of comparison, although this still remains but a step toward achievement. Some recent observations on the national accounting methodology in the Soviet bloc and some of the problems involved are in *Economic Bulletin for Europe,* vol. XI, No. 3, pp. 52 *et seq.*

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outlines for as far ahead as 1975. It also established new commissions for allocating production tasks among members, for transport, and for technical coöperation in construction. Greater emphasis has likewise been given to a coöperative effort in expanding fuel and power resources so as to eliminate chronic shortages. Further specialization in manufacturing was announced at this session. Shortly thereafter, a more vigorous campaign in the Soviet bloc press stressed the bright prospects for higher standards of living from a better division of labor and the elimination of "harmful parallelism".[35]

At the Tirana meeting of CEMA in May 1959—the XIth session—further steps were taken when member-countries agreed to link power networks in order to facilitate exchanges and when increased production targets for fuels by 1965 were assigned. Iron metallurgy and industrial chemistry were also given priority in the goals set for 1965. These arrangements reflected a continuation of trends begun in 1955, as CEMA has acquired additional supranational characteristics.

Other developments include progressive decentralization within the organization itself; mushrooming subdivisions have been specifically charged with the allocation of certain resources or the supervision over productional patterns. These are obviously designed to supply greater impetus to a centrally directed scheme for the integration of the East European economies.[36]

[35] See *Rude Pravo (Red Law)*, June 26, 1958; *Die Wirtschaft des Ostblocks*, No. 26 (July 3, 1958); *Zahranicni Obchod (Foreign Trade)*, No. 7 (July 1958); *Neues Deutschland*, August 7, 1958; *Hospodarske Noviny (Agricultural News)*, No. 33 (August 17, 1958); *Trud (Labor)*, August 20, 1958; *Pravda*, December 16, 1958. See also G. Perov, "Mezhdunarodnoe znachenie semiletnego plana razvitiia narodnogo khoziaistva SSSR" ("The International Significance of the Seven-Year Plan of Development of the National Economy of the USSR), *Mirovaia ekonomika i mezhdunarodnie otnosheniia (World Economics and International Relations)*, No. 1 (January 1959), pp. 4 *et seq.*; *Voprosy Ekonomiki (Questions of Economics)*, January and February 1959.

[36] Council sessions in 1955 and 1956 agreed upon specialization covering 27 types of metal products, 90 types of machinery, 23 chemical products, and 16 groups of farm produce. Although all of these have not been fully implemented, a considerable number, especially in the engineering sector, are being gradually put into effect. The Tirana communique indicated a continuation of this process by further delineating the division of labor. Regarding machine tools for the bearings industry, East Germany is to

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V. *Portents*

A new stage has obviously been reached in the economic development of Eastern Europe, partly induced by earlier achievements and partly by the pressures that arose out of the extreme drive toward industrial maturity. The awareness of the Soviet leadership that some Stalinist policies have lost their validity has put an end to the "heroic" period of East European industrialization, and to the gross victimization of the region. Consonant with the decision that further progress and stability within the bloc depend upon flexibility and economic rationalization, Khrushchev and his associates have striven to harmonize Soviet economic interests with those of Eastern Europe in a manner that will solidify Soviet ascendancy. A more balanced pace of industrial expansion has been adopted and greater attention paid to the schedules of consumption. Moreover, the back-breaking concept of individual autarchy has been abandoned, and with it the gross inefficiencies and extravagances. Rather, thrift and political gain apparent in the economic integration of Eastern Europe have attracted Soviet leadership.[37] CEMA has been given a new and more authentic prominence as the keystone of the bloc's economic progress. Its eventual success, however, remains uncertain.

Despite relatively long strides toward coördination of the bloc's economies, CEMA's impact at the moment must still be viewed as comparatively superficial. Many of its arrangements still depend upon bilateral negotiations, and will continue to

manufacture 40 types, with 12 other types being produced in Poland, 10 types in Czechoslovakia and 55 types in the USSR. *East Europe,* vol. VIII, No. 7 (July 1959), p. 41. For a geographic scheme of production and trade within this pattern of standardization and specialization, see O. Bogomolov, "O mezhdunarodnom sotsialisticheskom razdelenii truda" ("On the International Socialist Division of Labor"), *Mirovaia ekonomika i mezhdunarodnie otnosheniia (World Economics and International Relations),* No. 4 (April 1959), pp. 27 *et seq.* Further discussion of some current trends and problems is in *Economic Bulletin for Europe,* vol. XI, No. 1, pp. 57-76.

[37] Among the effects of the increasing specialization that has been achieved has been a significant expansion of trade in machinery and equipment among bloc members, with rising imports even in the more industrialized states. *Economic Bulletin for Europe,* vol. XI, No. 3, pp. 45-46. Further specialization would naturally enhance the ability of Eastern Europe to contribute more effective action within the Soviet foreign policy posture of peaceful competition among underdeveloped countries.

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do so at least until 1965. The policy of integration must still contend with obstacles of a psychological and technical nature. Not the least of these are the conflicts of economic interests among members. Aspects of economic nationalism persist as one country is reluctant to give up its share of a particular industry for the sake of specialization. This has been illustrated by unsubstantiated reports of the successful Polish opposition to CEMA plans to assign the manufacture of passenger automobiles in a way that would eliminate generally inefficient Polish production. Other countries, e.g., Bulgaria and Rumania, may object to their rôle as major sources of primary products for other members, thereby developing mostly the agricultural and extractive sectors of their economies.[38] Although costly efforts toward autarchy had established inefficient enterprises, these are now sometimes viewed as objects of pride in industrial achievement.

To these psychological obstacles can be added some remaining technical difficulties. Among the outstanding ones are bilateralism and the problem of cost-price relationships. Standardization and greater specialization are economically feasible only after it is possible for price relationships within the bloc to reflect adequately the real costs. At present, prices frequently offer little guidance since domestic prices remain divorced from external markets. The continued defects of cost-price relationships will greatly vitiate any division of labor.[39] Furthermore, the very nature of bilateral dealings discourages any easy and steady flow of resources and capital necessary for making integration a reality. As has been generally observed,[40] if CEMA

[38] This consideration has apparently occupied the Soviet leadership, as witnessed by the frequent reassurances of the "all-around development" that will result for all bloc members. See *Vneshniaia Torgovlia (Foreign Trade)*, No. 4 (April 1959), pp. 6-14; *Voprosy Ekonomiki (Problems of Economics)*, No. 3 (March 1959), p. 34, and No. 1 (January 1960), p. 18.

[39] Highly veiled allusions to this problem notwithstanding, some Soviet economists appear to recognize the seriousness of this aspect. See O. Bogomolov, "Mezhdunarodnoe sotsialisticheskoe razdelenie truda" ("The International Socialist Division of Labor"), *Voprosy Ekonomiki (Problems of Economics)*, No. 1 (January 1960), p. 17.

[40] A. Zauberman, "Soviet Bloc Economic Integration", *Problems of Communism*, July-August 1959, and in pertinent sections of Z. K. Brzezinski, *The Soviet Bloc: Unity and Conflict* (Cambridge, 1960), chap. XII.

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is to emerge eventually as a supranational institution for distributing and developing the joint resources of the bloc members, it must be empowered to regulate the investments of member-countries, assume broader powers of planning, and overcome the patterns of methodological diversity. This is not forseeable for the next decade.

These difficulties notwithstanding, it is quite apparent why the concept of integration remains highly attractive to the Soviet leadership, and may also contain some appeal to other bloc members. The Soviet Union's agreement to expand its exports of raw materials to Eastern Europe within the program of coordination (as well as its plan to construct an electrical grid network, construct a pipeline and supply other forms of material and technical aid) naturally offers immediate advantages to the East European countries. Furthermore, there is no doubt that greater specialization can do much good for Eastern Europe. Inefficient sectors in different economies can be eliminated as maximum standardization and serial production contribute to a higher standard of living. Mutual development of resources promises more rational planning techniques, and a minimizing or erasing of the seasonal fluctuations in production and supplies that still plague these economies that operate almost exclusively on a bilateral basis. Yet, in the face of all these apparent economic advantages for Eastern Europe, the outstanding price, from the political standpoint, is that this trend greatly enhances the Soviet Union's hegemony and reduces the economic costs of its primacy.

Given Eastern Europe's great dependence upon foreign trade for further economic progress, and the Soviet Union's present rôle as the chief source of supply and major market for the area, great integration can only serve to consolidate the Soviet Union's rule and enhance its power position. Consequently, bloc integration also serves as an instrument for durable political control. No bloc member could possibly survive alone; chaos and bankruptcy would ensue. Even if any East European government could secure some political freedom of choice in the bloc, it is highly unlikely that it would attempt any major economic reorientation, once integration is far advanced. The economic dislocation could bring disaster.

The present Soviet leadership has obviously concluded that stabilization in Eastern Europe requires the abandonment of

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questionable, short-term gains from outright exploitation and a decrease in the slavish emulation of Soviet economic policies. The evidence justifies the conclusion that East European development is not solely determined by Soviet national interests, in the narrow meaning of the term, as it was in the past. Moreover, with the Soviet Union's hegemony intact, its desire to strengthen the bloc as a whole from the standpoint of world politics is clear and understandable.[41] Economic integration simultaneously serves the Soviet Union's power position and its ideological cause. For this reason, the free world ought to pay close attention to Soviet economic policy in Eastern Europe. Thereby, it may appraise properly its own opportunities in the region as well as Soviet attitudes toward any political disengagement policy that would give East European countries more freedom of action.[42]

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[41] The persistent exclusiveness of bloc membership is being maintained, as indicated by the Yugoslav announcement recently that CEMA has declined for the second time a Yugoslav request for observer status with the organization. *New York Times,* March 19, 1960.

[42] A recent discussion of Eastern Europe's trade position is in *Economic Bulletin for Europe,* vol. XI, No. 1, pp. 39-55. The extent to which the import requirements of this region were met through intra-bloc trade in 1957 is evidenced by the following data: 78 per cent for machinery and equipment, 72 to 95 per cent for fuels, ores and fertilizers, 60 per cent for rolled steel, and 52 per cent for cotton. *Pravda,* April 28, 1959.

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THE COMMUNIST POWER BID IN FINLAND IN 1948*

THE ratification of the Finnish Peace Treaty in August 1947 and the departure of the Allied (Soviet) Control Commission brought to an end a trying decade in the history of the young Finnish republic. Particularly trying had been the three years which followed the conclusion of the Armistice Agreement of September 19, 1944. Under the auspices of the Control Commission, which was directed almost exclusively by the Soviet Union, the Finnish Communist party, outlawed since 1930, re-emerged to enjoy a favored existence in the political life of the nation. Few Finns dared believe that their independence and sovereignty would survive under the burden of the economic and political conditions imposed by the Armistice Agreement. The problems presented by the $300,000,000 indemnity payable to the Soviet Union, the relocation and rehabilitation of nearly half a million refugees from the ceded territories and the reconstruction of an almost totally destroyed Northern Finland seemed prohibitive enough. Yet the delicate obligation to establish good relations with the Soviet Union and the dangerous complications for domestic policy inherent in that obligation seemed to be the most formidable problem of all. For a nation which three times during the preceding twenty-six years had fought for its life against the Soviet Union it was difficult to have to display an attitude of trust and friendship. Yet the vital importance of such an attitude was obvious. In an urgent radio appeal on September 25, 1944, Dr. Urho Kekkonen, who was later to fill the posts of Prime Minister and President, stressed that the winning of the Soviet Union's trust and the creation of neighborly relations were "the only way which can safeguard our independence. There is no question of two or more alternatives but only of one." [1] It was Finland's great fortune that she

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[1] Urho Kekkonen, *För fosterlandet: Tal och artiklar 1938-1955*, ed. by Kusta Vilkuna (Helsingfors, 1955), pp. 184-185.

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possessed both a Marshal Mannerheim, who was able to bring the nation out of the war without dangerous internal strife, and a Dr. Paasikivi, whose nation-wide prestige and intimate knowledge of his own people and the Russians allowed him to rally the nation around a policy which steered the country clear of the pitfalls.[2]

Dr. Juho K. Paasikivi formed his first government on November 17, 1944. It included, for the first time in the history of Finland, Communist members. He announced, however, his firm intention to uphold Finland's democratic Constitution, and he warned that "the Communist party, like other parties, will act in accordance with prevailing laws."[3]

The first major test came with the general elections to the Riksdag, the Finnish Parliament, on March 17-18, 1945. The issue, which had been made crystal clear to the electorate by Paasikivi and his government, was made as simple as possible by the Russians themselves. *Pravda* wrote that "the present elections are not to be considered an internal affair of the Finns,"[4] and *Izvestia* added that "the results of the election will show whether Finland is determined to eradicate all traces of fascism . . . and thereby gain the right to readmission in the family of peaceloving peoples."[5]

In spite of this implied support, the Finnish Communist party hesitated to contest the election under its own label. Instead, Communist candidates appeared on the ballots under the banner of the Democratic Union of the Finnish People (S.K.D.L.), a combination of Communists and the fellow-traveling Socialist Unity party, a dissident group of Social Democrats. This bloc emerged from the election with 25.1 per cent of the popular vote and forty-nine of the two hundred seats in the Riksdag. The Social Democratic party won fifty seats, and the third major party, the Agrarians, won forty-nine.

A superficial analysis of this election might leave the impression that the "Marxist" parties had thus emerged with ninety-

[2] For a good discussion of Paasikivi's policy, see John H. Hodgson, "The Paasikivi Line", *The American Slavic and East European Review*, vol. 18, no. 2 (April 1959), pp. 145-173; also Göran von Bonsdorff, "Finland mellan öst och väst", *Statsvetenskaplig tidskrift*, vol. 4, no. 5 (1951), pp. 331-350.

[3] *The New York Times*, November 18, 1944, p. 4.

[4] Quoted in *ibid.*, March 13, 1945, p. 8.

[5] Quoted in *ibid.*, March 17, 1945, p. 4.

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nine seats, almost enough to give them an absolute majority, and that the Communists were therefore very close to holding the same power position that they enjoyed in Czechoslovakia, where they could count on the support of the Social Democrats. This was not the situation in Finland, however. There the Social Democrats followed a policy so different from that of the Communists that they very quickly became the chief target of the Soviet press and government. But there was always the presence of the Control Commission and its chairman, General Zhdanov. Of the eighteen portfolios in Paasikivi's new government, formed on April 17, six were given to the S.K.D.L., the largest representation accorded to any participating party. The crucial post of Minister of the Interior was given to the Communist Yrjö Leino, son-in-law of Otto Kuusinen who had been head of the puppet government set up in Terijoki in 1939. The apprehensions caused by Leino's appointment were considerably increased when Aino Altonen, Chairman of the Communist party, was named assistant chief of the political police. Under their guidance, and with the active support of the Control Commission, a purge of "fascist organizations" and "war criminals" was soon vigorously pursued.

The Communists won another bastion when, following the resignation of Mannerheim for reasons of health, Paasikivi became President and was succeeded as Prime Minister by Mauno Pekkala of the S.K.D.L. Yet, by the end of 1947 the Communists were no stronger than in 1945. Finland persistently adhered to the letter of the Armistice Agreement, giving the Control Commission little cause to complain. The real power in the government was President Paasikivi, but as long as it was formally headed by Pekkala the Communists could not very well attack its policies. Moreover, while Leino was shaping the political police into a striking force for the Communist party, the Communists were losing ground in the trade unions and among the people in general.

This was the situation when the real test came in 1948. On February 22, J. V. Stalin addressed a letter to President Paasikivi. The letter contained the following passages:

> As should be known to you, of the three countries bordering on the U.S.S.R. which waged war against the U.S.S.R. on the side of Germany, two—Hungary and Rumania—have signed with the U.S.S.R. treaties of mutual assistance against possible German aggression. . . .

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> I assume that Finland, not less than Rumania and Hungary, is interested in a pact of mutual assistance with the U.S.S.R. against possible German aggression. In view of those considerations, and wishing to establish conditions for a radical improvement in the relations between our countries with the aim of strengthening peace and security, the Soviet Government proposes the conclusion of a Soviet-Finnish pact of friendship, cooperation and mutual assistance similar to the Hungarian-Soviet and Rumanian-Soviet pacts.[6]

The letter did not come as a surprise. The treaties with Rumania and Hungary, to which Stalin referred and copies of which he enclosed in his letter to Paasikivi, had been signed on February 4 and 18, respectively, and served to confirm the development toward a Communist dictatorship under Soviet auspices which had gathered momentum in those countries during 1947. In addition, as if all possible elements of surprise were to be removed, a crisis was rapidly developing in Czechoslovakia, which was to culminate in a Communist coup. It seemed rather clear, therefore, that the Soviet Union had now decided to intervene directly in the affairs of those of its western neighbors who had not yet put the Communists in full power. It also seemed clear that Finland was included in this campaign.

There had been other ominous signs. As early as the previous November, at the time of Prime Minister Pekkala's visit to Moscow, there had been rumors of a Soviet-Finnish mutual assistance pact.[7] Then, toward the end of January 1948, Lieut.-General Savonenkov, who had been Zhdanov's deputy on the Control Commission, returned to Helsinki as Soviet Minister. The recall of his predecessor on account of illness apparently came as a surprise to the Minister himself, and the arrival of Savonenkov was interpreted as an indication that Moscow considered it useful to have as its envoy in Helsinki a man of action who was also familiar with Finnish affairs. The Finns had come to know him as a stern military commander, and his return in 1948 coincided with reports from "informed circles" in Helsinki that Finland's turn had come to join the Soviet Union's system of military security pacts. It was believed that Moscow's terms included the establishment of a permanent Soviet military mission

[6] The full text of Stalin's letter may be found in *The New York Times*, February 29, 1948, p. 4; also in *Current History*, vol. 14, no. 81 (May 1948), pp. 304-305.

[7] *The New York Times*, November 17, 1947, p. 9.

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with the Finnish army, standard equipment for both armies, repair facilities in Finnish ports for ships of the Soviet navy, training courses for Finnish officers in the Soviet Union, and so on. Finnish government officials were said to be "loath" to discuss the matter.[8] One observer claimed that it was Savonenkov's mission to induce the Finns to ask for such a treaty.[9] If it was, he failed.

It seemed to be more than a coincidence, however, that a number of hard-core Finnish Communists who had fled the country after the 1918 civil war now began to trek back across the border from the Soviet Union. Among them were former "Ministers" in Otto Kuusinen's notorious Terijoki government,[10] including Tuure Lehén, veteran of the Spanish civil war, general in the Red Army and considered the foremost Communist expert on revolts and street fighting, and Inkeri Lehtinen, who, with Kuusinen, had been Finnish representative on the Comintern Presidium.

In view of all these developments it was not very surprising to read in both *Pravda* and *Izvestia* on February 8 that the United States was restoring German militarism, was forming a bloc of western countries including Germany, and was trying to lure Finland into its web of imperialism. In articles and editorials both newspapers stated that the Finnish Right-wing elements were aiding the American imperialists and sharply resisting nationalization and the country's reconstruction "on healthy democratic foundations".[11]

When the Finnish people learned of Stalin's letter on February 27, their immediate reaction was one of despair. All efforts to

[8] *Ibid.*, January 23, 1948, p. 3. Inferences drawn by newspaper correspondents on the spot, under the pressure of deadlines, are not always borne out by subsequent events. However, the correspondents of *The New York Times* in Helsinki—at that time George Axelsson—have consistently maintained a high level of political reporting. For that reason, and also because other sources of information are not yet available with respect to many of the developments in Finland during the crisis here discussed, the author has not hesitated to utilize *The New York Times* as a source for the present paper.

[9] Stephen Simmons, "Finland and Russia", *The New Statesman and Nation*, vol. 35, no. 899 (May 29, 1948), p. 428.

[10] At the outset of the Winter War a Finnish People's Government, headed by Kuusinen, had been set up in Terijoki on the Karelian Isthmus. Recognized by the Soviet Union on December 1, 1939, it was silently dropped before the conclusion of peace on March 12, 1940.

[11] Quoted in *The New York Times*, February 9, 1948, p. 4.

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win their independence seemed to have been in vain. And foreign comments were not encouraging. London was reported to be pessimistic about the outcome of the negotiations demanded by Stalin: "The only two questions remaining now are—who will be next after Finland and where will it stop?"[12] *The New York Times* said editorially that the swallowing up of Finland by the Soviet Union was inevitable: "While the world watches and waits, one more small country is preparing to go to its doom."[13]

The first to recover from this attack of pessimism were the Finns themselves. Most Helsinki newspapers stressed the point that the majority of Finns opposed a military pact and wished to stay outside international conflicts. Interviewed in Stockholm, Social Democrat Karl-August Fagerholm, the Speaker of the Riksdag, said that Finland did not want to see in the Soviet proposal "an overture of events of the kind now occurring in some other countries who have closed agreements with the Soviet Union."[14] He added, however: "A change in the Government is conceivable . . . as a consequence of what has happened."

On February 28 President Paasikivi received General Savonenkov and informed him of Finland's reaction to Stalin's proposal and of the steps being taken by the Finnish government to produce a reply to it. Simultaneously, top Communist leaders met in conference and issued a statement to the effect that the proposed pact would be "useful" for Finland.[15] On March 8, after a parliamentary majority had been assured in favor of negotiations, and after Paasikivi had consulted with Finland's top political and military leaders, the government formally decided to send an affirmative reply to Stalin.[16] In view of the events in Hungary and Rumania, the coup d'état in Czechoslovakia and Finland's precarious position, the letter which Paasikivi sent to Stalin on March 9 demonstrated an amazing calm and composure. It reiterated Finland's desire to work for the further development of good relations with the Soviet Union; it all but rejected the idea of a military pact; and it stressed the parliamentary procedure by which an agreement would have to be accepted.[17]

[12] *The New York Times*, February 28, 1948, p. 1.

[13] *Ibid.*, March 1, 1948, p. 22. [14] *Ibid.*, p. 2.

[15] *Ibid.*, February 29, 1948, p. 4. [16] *Ibid.*, March 9, 1948, p. 4.

[17] For the text of the letter, see *ibid.*, March 16, 1948, p. 14.

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The selection of the Finnish negotiators further emphasized Finland's determination to resist demands that would threaten the vital interests of the nation. Headed by Prime Minister Pekkala, the delegation included Minister of the Interior Yrjö Leino and Deputy Foreign Minister Reinhold Svento, all representing the S.K.D.L. The other members were Urho Kekkonen of the Agrarian party, Onni Peltonen of the Social Democratic party, Johan O. Söderhjelm of the Swedish People's party, and Foreign Minister Carl Enckell, who had no party affiliations but could be trusted to abide unswervingly by Paasikivi's wishes. There was no reason, therefore, to fear the presence of the three People's Democrats on the delegation. Pekkala himself, in a broadcast on March 13, asserted that the delegation would sign no pact which infringed upon the Paris Peace Treaty of 1947 or on Finland's Constitution. The negotiations were not dangerous, he said, nothing out of the ordinary.[18]

The activities of the Finnish Communists belied Pekkala's optimistic words. In a statement issued by the Social Democrats on March 2, "Communist circles" were accused of having shown "their intention to use this situation for the purpose of national conflict and discord among the classes."[19] The accusation seemed to be well founded, and one might well suspect the practiced hand of Tuure Lehén behind the increasingly rowdy behavior of the Communists in Helsinki.[20] Street brawls and demonstrations quickly crystallized into organized action. On March 9, flying squads of Communists entered the editorial offices of all non-Communist daily newspapers in the capital and warned the staffs that "anti-Soviet propaganda" must forthwith disappear from the news and editorial columns. The Riksdag building was visited by other groups who demanded to see the leaders of the parties which had opposed negotiations with the Soviet Union. When these men refused to see the Communists, notes were sent in to them warning that next time they would have to face the visitors whether they wished to or not.[21]

[18] *The New York Times,* March 14, 1948, pp. 1, 33.

[19] *Ibid.,* March 3, 1948, pp. 1, 9.

[20] An interesting discussion of Lehén's teachings on class struggle and revolt techniques and their application by Finnish Communists even today has been given by Arvo Tuominen, *Hemligt ränkspel på jorden och under jorden* (Helsingfors, 1958), pp. 252-256. Until the Winter War, Tuominen was Finland's No. 1 Communist. He is now a prominent Social Democrat.

[21] *The New York Times,* March 10, 1948, pp. 1, 13.

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To some extent the pattern familiar from the coup in Prague was beginning to emerge. The Communist goal was described quite bluntly by Hertta Kuusinen, Otto Kuusinen's daughter and Yrjö Leino's wife, at a rally of the S.K.D.L. in late March: "The road of Czechoslovakia is the road for us."[22] Since she and her husband had recently returned from a visit to Moscow, it was assumed that she was speaking with some authority. And the existence of Leino's mobile, well-organized and highly trained political police added a sinister significance to his wife's words. This special unit was under the command of Eero Hautojärvi, who had received a first-class Communist education in fighting techniques and was known as a specialist on revolts. The officers and men were all hard-core Communists or reliable Communist sympathizers. Their numbers were variously estimated at between 1,000 and 3,000,[23] and they were ready to seize command of strategic points in short order. In addition Leino had the State Police, which the Finns regarded, perhaps unfairly, as a domestic version of the German Gestapo and which was, in fact, called the Stapo. From a Communist point of view the regular police force was not reliable.

Still another factor which tended to increase the uneasiness of the Finns in this tense situation was the presence of some 20,000 or more Soviet troops in the Porkkala naval base, a mere twelve miles from Helsinki. Although few people expected the Soviet troops to intervene directly without provocation, there was always the possibility that the Finnish Communists could create a situation which would give the Russians a suitable excuse for intervention.

Because of all these developments there was ample reason for the Finns to suspect that Finland was due to follow the tragic course of Czechoslovakia. However, at this crucial point an amazing incident took place. In the evening of March 19, the night before the Finnish delegation was to leave for Moscow,

[22] Eric C. Bellquist, "Political and Economic Conditions in the Scandinavian Countries", *Foreign Policy Reports*, vol. 24, no. 5 (May 15, 1948), p. 56.

[23] George Axelsson in *The New York Times*, March 21, 1948, section IV, p. 4. One estimate, submitted by a former Finnish Communist, S. Hjalmar Rantanen, *Som politruk i Finland* (Stockholm, 1958), p. 163, suggests that there were well over 500 men in the unit. This estimate is for August 1948, however, and a reduction in the unit after the censure and dismissal of Leino in May 1948 is probable.

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General Aarne Sihvo, the Finnish Commander in Chief, received a surprise visit at his home from Leino. The Minister of the Interior had this to say:

> General . . . you know that there is unrest in the country. I have learned that the enemies of the friendship and mutual assistance pact are planning some sort of demonstrations during the next few days. I also know that one can expect trouble from the Left. That is why I have come here, even though it is not the business of the Minister of the Interior to give directives to the Commander in Chief of the Army. But I hear that Defense Minister Kallinen, who is a great man of peace, has failed to notice signs of coming riots. I hope that the armed forces will maintain order in the country while the negotiations for the friendship and mutual assistance pact are going on.[24]

This was a decisive hint for General Sihvo, who had already on his own initiative ordered certain security measures aimed at controlling the threatening situation which was developing. The Army had been readied for action, a tank regiment had been moved to the outskirts of Helsinki, a couple of naval vessels were prepared for action and certain important highways were under surveillance. After Leino's warning the security measures were further increased, and the armed forces emerged openly as the guarantor of the maintenance of law and order in the country. Army units were guarding official buildings in Helsinki, and munitions stores were placed under heavy guard.[25] By a surprise move the well-equipped arsenal of the mobile police was made inaccessible to Hautojärvi and his men.[26] On April 4, as the

[24] As told to and reported by Arvo Tuominen, *op. cit.*, p. 241. Tuominen, who had originally recruited Leino for the Communists in the 1920's, sent a message to him in 1945 inviting him to stay with Tuominen in Stockholm when he, too, decided to leave the Communist party. The offer was accepted in 1949, and Leino, in a four-day-long conversation with Tuominen, told the story of his years as Minister of the Interior, including the events of March and April 1948. *Ibid.*, pp. 238-244. Leino's account of his conversation with Sihvo has since been confirmed by the general. See "Kommunisternas kuppförberedelser", *Appell,* vol. 14, no. 12 (March 3, 1958), p. 7. The Finnish Communists of course deny the entire story. Hertta Kuusinen was reported to have called it "utter nonsense" and claimed that no coup had been planned. Werner Wiskari, "Finnish Communism's Feminine Face", *The New York Times Magazine,* April 12, 1959, p. 71. Hertta Kuusinen and Leino are now divorced.

[25] *The New York Times,* April 1, 1948, pp. 1, 14.

[26] Tuominen, *op. cit.*, p. 240.

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crisis reached its climax, all military leaves were suspended. According to Urho Kiukas,[27] who was then Chief of the Finnish Police, the armed forces and the regular police had such a complete grip on the situation that a Communist coup was "impossible". When a deputation of leading Communists protested to General Sihvo about the "provocative" measures ordered by him, they were effectively silenced by the information that everything had been done on the explicit advice of Leino.[28] Leino, by this time in Moscow and enjoying a most-favored status compared to the other Finnish negotiators, suddenly found himself completely ignored, except for an invitation to go to the Crimea or the Caucasus for medical treatment, which made him fear for his life.[29]

If Leino's warning to General Sihvo came as a big surprise to the Communists, both in Helsinki and in Moscow, no less of a surprise awaited the Finnish negotiators when they arrived in the Soviet capital. When the negotiations finally began on March 25, a puzzling change in Soviet policy was evident. Stalin's letter to Paasikivi had projected an alliance similar to those concluded between the Soviet Union and Hungary and the Soviet Union and Rumania. However, when the Finns during the first meeting with Foreign Minister Molotov started to explain the objections of the Riksdag to a military treaty, Molotov replied that he fully appreciated that attitude. He added that since the Russians had no special proposals to make, perhaps the Finns would wish to submit a draft treaty as a basis for discussion. The Finns handed him a copy of a draft which had been drawn up by Paasikivi as a guide for the Finnish delegation, and the surprising meeting came to an end.[30]

The second meeting took place on March 30 and lasted only an hour. Molotov had only two amendments to suggest in the Finnish draft: (1) a time limit for the proposed treaty should be specified, and (2) the Soviet Union would be happy to extend more military aid to Finland than the draft envisaged. Two members of the delegation hurried to Helsinki to consult

[27] Conversation with the author, December 13, 1958. Since 1957 Kiukas, an Agrarian, has been Governor of the Province of Mikkeli.

[28] Tuominen, *op. cit.*, pp. 241-242.

[29] *Ibid.*, pp. 242-243.

[30] The fullest account of the negotiations has been given by Simmons, "Finland and Russia", *loc. cit.*, p. 428.

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with Paasikivi and returned to Moscow on April 4 with instructions not to accept the suggested increase of military aid. At the final meeting, which was held on April 5, Molotov listened patiently, and then he not only accepted the Finnish position but waived the slight concessions which were offered. Since "this was peace time", the Finnish draft as originally presented would be most suitable.

The Finnish-Soviet Treaty of Friendship, Cooperation and Mutual Assistance was signed on April 6 in the presence of Stalin. It was a curious document in view of the events which had occurred during the preceding months in all of the Soviet Union's European neighbor states. There was no trace in the Finnish treaty of the military clauses which had made the independence of Hungary and Rumania illusory. The "radical improvement" in Finnish-Soviet relations which Stalin had referred to in proposing the treaty had clearly not materialized. Prime Minister Pekkala could well express his appreciation "for the benevolent attitude accorded our country and its Government during the negotiations, thanks to which it has been possible to achieve results conducive to our particular conditions. . . ."[31]

By Article 1 of the treaty, Finland contracted to fight against an attack by Germany or any state allied with Germany against Finland or against the Soviet Union across Finnish territory. Soviet assistance would be given if required and requested by Finland. By Article 2 the two parties agreed to confer with each other should there be a threat of an armed attack of the nature described in Article 1. Both parties, confirming a provision embodied in the peace treaties of 1940 and 1947, pledged themselves to refrain from joining any alliance or coalition directed against the other. They also agreed to respect each other's sovereignty and integrity and not to interfere in each other's internal affairs. The treaty was to remain in force for ten years.[32]

Thus the treaty contained nothing new. Not even the provisions of Article 1 were really new. In connection with the signing of the Peace Treaty in 1947 President Paasikivi had asserted that Finland would fight with all resources at her disposal against any aggressor seeking to strike at the Soviet Union across

[31] *The New York Times*, April 7, 1948, p. 7.

[32] For the text of the treaty, see Anatole G. Mazour, *Finland Between East and West* (Princeton, 1956), pp. 280-282.

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Finnish territory.[33] The new treaty made that assertion a legal obligation. The Soviet Union gained no devices for exercising control over Finnish affairs which it did not already possess through the Peace Treaty.

Documentary evidence to the effect that a drastic about-face in Soviet policy vis-à-vis Finland actually took place between February 22 and April 6 is not available. One may assume that such an about-face did occur, however, since otherwise the Treaty of Friendship, Cooperation and Mutual Assistance makes little sense. Stalin's letter was clearly suggestive of a treaty similar to those concluded by the Soviet Union with Hungary and Rumania, and yet, when the Finnish negotiators arrived in Moscow a month later, Soviet leaders made no attempt to obtain such a treaty. Seemingly, the only reason for going through with the negotiations at all was that the initiative had been taken and represented a commitment to see the matter through. To let the whole thing drop would have been too drastic, since the obvious conclusion to be drawn from such an action would have been that the Soviet Union had felt compelled by factors not foreseen to abandon the tough policy toward Finland which Stalin's letter suggested. Thus abandonment of the negotiations might have been construed in the West as a Soviet defeat. By seeing them through, and by giving Finland a treaty which imposed no new obligations or hardships on the Finns, the Soviet Union could turn defeat into victory. To make no demands would necessarily be regarded as a major concession to Finland, a gesture of magnanimity.

Exactly what those unforeseen factors were which frustrated the original Soviet designs on Finland cannot be ascertained in the absence of concrete evidence, but some conjectures may be offered. The idea that the Soviet Union was incapable of having its way with Finland can, of course, be dismissed as ridiculous. Not only did the Soviet Union command more than sufficient physical power to back up the strong line taken by Stalin in his letter to Paasikivi, but it was clear that such a line would not have met with any resistance other than that which the Finns themselves could put up. The reactions in London and Washington referred to above demonstrated clearly enough that those Powers from which help could have come were merely watching and waiting and wondering where it was all going to stop.

[33] *The New York Times*, February 14, 1947, p. 8.

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In seeking an explanation for the Soviet about-face the first and most important consideration to be kept in mind is the geographical location of Finland. Although she was not occupied by Soviet forces as were Hungary and Rumania, Finland was certainly no less exposed to Soviet armed intervention than was Czechoslovakia. However, there were two basic differences between the positions of Czechoslovakia and Finland. First, Czechoslovakia occupied strategically significant territory on the border line between the Soviet Union's East European zone of interest and non-Communist Western Europe, whereas Finland did not occupy such territory. After the Second World War the Soviet Union was in full control of the Baltic coast from Viipuri to Lübeck. It had a strong naval base at Porkkala on Finnish territory, and it had extended its northeastern border to that of Norway, thereby shutting Finland off from the Arctic Sea. Thus Finland did not, like Czechoslovakia, represent a dangerous wedge deep into the Soviet security zone. Secondly, though a factor of far less importance, Finland's political climate was less favorable from the Russian point of view than the political climate in Czechoslovakia.[34]

In spite of the differences in the political situations of Finland and Czechoslovakia it should be reiterated that this was a minor consideration for the Soviet Union in adopting different attitudes toward the two countries in 1948. The strategic considerations must clearly have been the deciding ones. It is irrelevant, and most unfair to the Czechs, to infer that the personal courage of the Finns and the alleged lack of such courage on the part of the Czechs had anything to do with the outcome of the crises in their respective countries.[35] The personal courage of the Finns has won the admiration of the world, but the tragic exhibition of similar courage did not save Hungary in 1956. Thus it must be clear that other factors saved Finland in 1948 and that the factor of geography was a basic one.

[34] Regarding the latter, see Hugh Seton-Watson, *From Lenin to Malenkov: The History of World Communism* (New York, 1953), pp. 258-259, and Hubert Ripka, *Czechoslovakia Enslaved: The Story of the Communist Coup d'État* (London, 1950), p. 48.

[35] Seton-Watson, *op. cit.*, p. 260, after showing that the military threat to Finland was as great as that to Czechoslovakia, explains the outcome in this manner: "But the Finns risked the danger which they clearly saw, and emerged unscathed." The inference is that the Czechs should have done the same and they might have achieved the same result.

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One may also assume that the reaction in the West to the coup in Prague was a contributing factor in the Soviet decision to abandon a tough policy against Finland. Like the crushing of the Hungarian revolution the Prague coup resulted in a setback for communism in the free world, and by the time the Finnish negotiators arrived in Moscow this result was already beginning to manifest itself. Since the extension of the communist system to Finland could hardly be considered a sufficiently significant advance to offset the reaction in the rest of the world, it would be natural to use the Finnish situation to better advantage by turning it into a demonstration of Soviet magnanimity and friendly relationship with a small non-Communist neighbor. And few foreign negotiators have ever confronted a less aggressive, less demanding and more smiling Molotov than did the Finns in 1948. In the words of Professor Kaarlo Kaira, whose opinion on the treaty was requested by the Riksdag, Finland was not being placed in a position different from that which was already covered by her laws.[36]

Nevertheless, although the Soviet Union had given up the policy suggested by Stalin's letter only some five weeks after it was written, it was probably still hoping that the Finnish Communists could do something about it. This effort was frustrated, as has been shown, and in the process had been revealed a dangerous dualism in the character of Finnish communism as exemplified by Leino's tip-off to the armed forces. Arvo Tuominen's description of this dualism is noteworthy:

> I believe that Leino's tragedy stemmed from his attempt to be a good Communist and also a Finnish patriot. Many others have tried to reconcile these two qualities but have sunk ever deeper into a dualism which of necessity has led to conflict with now the one, now the other, principle. In the case of Leino the conflict was sharpened month by month, day by day, until his Finnish patriotism more and more often won out in critical situations.[37]

Whatever the exact intentions of the Soviet Union had originally been, and in spite of an apparent effort by Finnish Com-

[36] Jan-Magnus Jansson, *Grundlagsutskottets funktioner vid Riksdagarna 1939-1952* (Helsingfors, 1954), pp. 207-208. For a discussion of the juridical interpretation of the treaty, see Tauno Suontausta, "Fördraget mellan Finland og [*sic*] Sovjetunionen", *Nordisk tidsskrift for international ret,* vol. 18, nos. 2-3 (1947/48), pp. 75-84. See also Fredrik Valros, *Finland efter år 1946* (Helsingfors, 1952), pp. 14-17.

[37] Tuominen, *op. cit.*, p. 244.

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munists to achieve power in the same manner as the Communists in Czechoslovakia had done, Finland emerged from the 1948 crisis with her freedom and sovereignty intact. More than that, within seven weeks of the signing of the Treaty of Friendship, Cooperation and Mutual Assistance, Leino had been censured by the Riksdag and dismissed by President Paasikivi as Minister of the Interior for methods he had employed in his campaign to root out "fascism" in the country.[38] The Communists thereby lost their stronghold and main springboard for revolutionary action. They tried to offset their loss by strike action, but the strike was a failure. In the Riksdag elections of that summer, held on July 1-2, the S.K.D.L. lost eleven seats and found itself trailing the Agrarian party by eighteen seats and the Social Democratic party by sixteen. As a result of the elections, Pekkala's government resigned and was succeeded by an all-Social Democratic cabinet headed by Karl-August Fagerholm. No Communist has been a member of a Finnish government since then, although the Communists regained their parliamentary strength in the Riksdag elections of 1958.

From the developments of the last twelve years, one may conclude that a Communist take-over in Finland would have to be brought about by the Finnish Communists on their own. Whether or not the Soviet Union would prefer to count Finland among its European satellites, Finland has by now become such a valuable propaganda item for "peaceful coexistence" that it would be foolish to destroy it by direct armed intervention or other strong-arm methods, especially since Finland's strategic importance today is even less than it was in 1948.

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[38] Regarding the impeachment of Leino, see Jansson, *op. cit.*, pp. 295-301, 321-327, and *The New York Times*, March 23, 1948, p. 7, May 5, p. 17, May 20, p. 11, May 23, pp. 1, 17.

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CENTRALIZATION AND THE OPEN SOCIETY

I

IN 1952, the theme of Dwight Eisenhower's presidential campaign, at least in domestic politics, was the reawakening of the states, the restoration of their traditional place in the federal system, a return to the values and practices of decentralized federalism. Even scholars took another look at the federal system, and some became moderately optimistic about the prospects of revitalizing the states.

Among those who shared this optimism was the late Leonard D. White, one of our most distinguished scholars in the field of public administration. In a series of lectures at Louisiana State University, published in book form in early 1953 under the title *The States and the Nation,* Professor White set forth the grounds for believing that the federal government would relinquish some of its tax sources to the states, among others the gasoline tax, and that the states themselves would also explore new sources of tax revenue.[1]

Professor White believed that the states would probably revitalize themselves in other ways. First, they would relinquish some federal grants-in-aid and assume independently some of the services they now render jointly with the federal government. Secondly, the states would experiment more widely with the interstate compact. Thirdly, they would make a much fuller use of their own powers in two general ways—they would enlarge their traditional services and keep these abreast of the great advances being made in criminology, penology, mental health and education; and they would resume their old rôle as laboratories of experimentation by taking on new functions such as adult education and training, government aid to superior students, health insurance, possibly even disability insurance.

This emphasis in 1952-1953 on the bright future of the states was, of course, a reaction from the enormous growth of federal power during the 1930's and 1940's. As late as the turn of the century, the federal government had affected the national economy only through its simple excise taxes, its protective tariff, its uniform currency, its marketing of federal bonds, the limited functions of the national banking system, and an inconclusive

[1] Leonard D. White, *The States and the Nation* (Baton Rouge, 1953).

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regulation of interstate carriers. By 1950, however, the activities of the federal government had come to touch vitally every aspect of American life. The old and original powers of the federal government had been prodigiously expanded by new demands in foreign affairs and national defense. And the New Deal and the Fair Deal, building on the earlier New Nationalism and New Freedom, had charged the federal government with vast new functions so as to assure a smooth functioning of the American economy. By 1950, American constitutional theory and practice had come to accept this and American opinion overwhelmingly to expect it.

In 1960, it looks as if the anticipations of a revived federalism in its old forms were unfounded. Aside from tidelands oil, there has been no significant return of functions or tax sources to the states. Since 1953, it is true, there have been demands for an enlargement of old state functions and for the initiation of new state functions, but most of the states fail to respond to the demands. At the same time, the federal government has been taking on and expanding functions hitherto regarded as largely state or private matters—road building, welfare, housing, slum clearance, urban renewal, individual and public health, hospitals, education, and so forth. The federal government has been concerning itself more and more with these activities, either directly, or indirectly through grants-in-aid. Older grants-in-aid are expanding, new grants-in-aid are being adopted, and federal money appropriations for grants-in-aid are increasing enormously. In 1901, they amounted to less than $3,000,000. In 1931, they amounted to about $220,000,000. In 1941, they rose to $615,000,000. By 1951, they had expanded to $2,280,000,000. Today, they are running close to $7,000,000,000, counting the so-called highway trust fund.[2]

In effect, the centralization-decentralization issue has now shifted from the American *economy* to the American *society*. A new rationale to justify a new expansion of federal power is developing. More and more it is being said that our society is national, that as a society we are becoming more interrelated and interdependent, that we are a more mobile people than ever before, that health and education in one state affect health and education in all the states and in the nation.

[2] White, *op. cit.*, p. 18. An address by George C. S. Benson, in *Governmental Research Association Reporter*, vol. 11, No. 1, pp. 1-7.

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At the turn of the century it would have taken a bold man to declare that since our *economy* was national, the government most concerned with that economy must be the national government and not the state. Today this is a commonplace. Now it is being said that because our *society* is national, the government most concerned with that society must be the national government and not the state. Today this is an advanced attitude, but tomorrow it may be a commonplace.

From many sides are coming demands for enlarged and new government services. Here are a few straws in the wind. In a recent series of articles on urban renewal, *The Christian Science Monitor* estimated that one out of every four city dwellers in the United States lives in a slum.[3] A short time ago the New York State Department of Labor, commenting on the rising costs of health services, reported that today two out of every three dollars spent for medical and hospital services in the United States are still borne by the individual, that only one dollar in every three is covered by some kind of insurance.[4] The National Education Association is insisting that our public schools need an additional eight billion dollars each year if American education is to be what it should be quantitatively and qualitatively, and it strongly implies that all estimates of federal aid up to this time have been trifling in comparison with existing need.[5] From all sides come reports of skyrocketing costs for college and professional training. There is the much-publicized article of Benjamin Fine, who estimates that about two hundred thousand of our most gifted high school graduates each year cannot go on for college or technical or professional training for lack of financial help.[6] And the nation is reacting to all this differently from what it

[3] See editorial in *The Christian Science Monitor*, July 13, 1959, summarizing that newspaper's series of articles during June and July on slum conditions and urban renewal.

[4] *The New York Times*, Sunday, May 10, 1959.

[5] Associated Press account appearing in scores of American daily newspapers on June 30, 1959, summarizing the report of the Educational Policies Commission of the National Education Association made to the Association's convention on June 29.

[6] Benjamin Fine, "College Tuition Soaring Higher", an article syndicated by the North American Newspaper Alliance, appearing in scores of American newspapers in June 1959, and interpreting the report of Dr. Ernest V. Hollis, Division of Higher Education, United States Office of Education, on mounting costs of college education.

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would formerly. Yesterday people would have said: "But advanced education is for the individual to provide for himself." Today people increasingly say: "What a waste of national brain power!"

These new demands are coming out of new conditions. What are these conditions? Rapidly increasing population. Continuing and accelerating shifts of population to the urban areas. Disproportionately rising costs in medical services, hospital services and education. The expansion of the private sector of our economy, and the realization that as the private sector expands so also must the public sector—for otherwise we face grave imbalances. (For instance, when the private sector builds more automobiles, the public sector must build more roads.) The growing recognition that goods and services produced by the public sector are not just luxuries or consumer goods; that they are productive wealth, used to make more and better goods and services. (Better schools and better health facilities produce more effective workers, managers, scientists, technicians, technologists.) The deepening realization that we must keep ahead of the Soviet Union in industrial and military technology. The growing consciousness that desegregation is a vital ideological weapon in our world struggle to win the uncommitted peoples of Asia, the Middle East, Africa and Latin America, and that we can no longer regard this question as a domestic and local one. In short, crisis is the health of centralization, and we are in a continuing crisis.

II

Will the states do their part in meeting the nation's growing expectations? Have the optimistic predictions about the future of the states been borne out by subsequent developments? The evidence seems to be that they have not, that the states will not sufficiently revitalize themselves, that the trend to federal centralization will continue.

True, all states are making some progress; and a few states have taken constructive, even heroic, measures to tap water supplies, find new tax sources, provide regional planning, and reapportion their legislative seats. But what was the record of most of the legislatures meeting during 1959? It was largely a record of economy, retrenchment, and the slashing of budgets submitted by the

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executives. The truth is that most of the states are barely able to keep the old services abreast of increasing costs, increasing population, and the shifts of population to the cities.[7]

Few of the things envisaged by Professor White have taken place. Have the states relinquished any federal grants-in-aid? Not at all. Not a single grant-in-aid has been relinquished. Here is the typical story. First, a grant-in-aid is made so as to get a necessary or desirable government service started and to soften opposition to it in the states. Then it becomes a going concern, vested interests are created, the controversial becomes customary, and the opposition vanishes. Therefore, grants-in-aid do not diminish; instead, they multiply.

What of the interstate compact? It still remains largely a potentiality rather than an actuality, although there is an encouraging tendency by the states to experiment with it more widely. The truth seems to be that the interstate compact works most successfully in the noncontroversial, that is, the relatively unimportant, areas of activity such as the regional educational councils, the return of parolees, and so forth. In the controversial areas—such as electric power, tapping water supplies, preventing water pollution, conserving soil and other natural resources—it has been less successful, although longer and wider experience may bring greater achievement. At the present time what is most impressive, considering the many possibilities for the use of interstate compacts, is this: how few are attempted; of the few attempted, how many founder in the process of negotiation and ratification; of the very few that materialize, how prolonged and difficult the process of negotiation and ratification. Proposed interstate compacts must be watched closely, for they sometimes contain built-in devices for local vetoes, disguises for obstruction.[8] It is instructive that one of the reasons for calling the Constitutional Convention of 1787, to form a stronger general government, was the failure of the Potomac River states to conclude an interstate compact. In the light of the total situa-

[7] For what did the state governors and budget directors ask their legislatures in 1959? A summary, state by state, is in *State Government,* the Council of State Governments, vol. 32, No. 2, Spring 1959, pp. 78-103. And what did the legislatures do? A summary of actions by the state legislatures, state by state, is in *ibid.,* No. 3, Summer 1959, pp. 199-212.

[8] William E. Leuchtenburg, *Flood Control Politics: The Connecticut River Valley, 1927-1950* (Cambridge, 1953), chap. 2; Arthur W. Macmahon, ed., *Federalism: Mature and Emergent* (Garden City, 1955), pp. 344-347.

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tion and the many opportunities for employing this device, the use of the interstate compact is still negligible.

Are the states making an adequately fuller use of their own powers? They are not, emphatically not. This is so, chiefly because of the realities of group politics in the states. It is true that the groups that press for the expansion of government services to meet new conditions can be found in all states, but it is only in the industrial states that they can exert much influence. Generally speaking, they are more numerous and better organized on the national than on the state level. On the state level they frequently run into structural barriers erected by nineteenth-century horse-and-buggy constitutions. Some of these are so long and involved as to be in effect codes of law rather than constitutions. They place prohibitions on the taxing power, the borrowing power, the spending power and rigid limitations on the powers of the cities. Above all they provide for flagrant malapportionment of the legislatures.

Malapportionment of state legislatures is by now an old and a familiar story: how the rural areas are overrepresented and the urban areas underrepresented; how as little as 30 or 25 or 20 per cent or even less of a state's population frequently makes a majority in the legislature; how one vote in a rural area often equals one hundred or two hundred or even three hundred votes in an urban area.

What is not so well known is the extent of this malapportionment, how general it is, how flagrant, how today some of our states are as undemocratic as Great Britain was before the Reform Bill of 1832.[9]

The consequences of all this are even less well known. Overrepresentation of the rural areas means not so much the rule of the rural folk as it does the rule of the rural politicians, who largely reflect the interests and values of the county rings, the large landowners, the small-scale and local-minded business men of the county-seat towns, and certain corporate businesses (themselves located in the cities) which would rather deal with a legislative oligarchy than a broadly representative and democratic legislature.

It is the legislatures dominated by rural politicians that favor the unrealistic proposals to amend the United States Constitu-

[9] Manning J. Dauer and Robert G. Kelsay, "Unrepresentative States", *National Municipal Review*, vol. XLIV, No. 11, December 1955, pp. 571-575.

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tion so as to limit the federal income tax, particularly in the higher income brackets. It is these legislatures which spawn the so-called "right-to-work" laws and other legislation designed to hamper the legitimate aspirations of organized labor. It is these legislatures which have a peculiarly tender regard for the small loan companies. (Recently, a bill sponsored by no one except the small loan companies was passed by the legislature of Florida; the "aye" votes in the house represented constituencies totaling 600,000 persons, while the "no" votes, which failed to stop the bill, represented constituencies totaling over two million people.[10])

Domination of the legislatures by rotten-borough rural politicians is especially dangerous in the one-party states, where these politicians become still more inbred and form a ruling clique unchecked by even a rival party clique. Nor does this situation prevail only in the South.[11] About one half of all the states can be called one-party states, at least so far as state matters, especially the legislatures, are concerned.

These conditions are all roadblocks on the way to making the changes that would have to be made before the states could embark on that fuller use of their powers that was predicted by Professor White. Let us list some of these necessary changes: constitutional revision; genuine reapportionment; the exploration of new sources of taxation; the establishment of adequate civil service and merit systems in the states so that they could compete with private enterprise and the federal government for administrative personnel; emancipation of the cities from neglect and exploitation.

Thus the formidable task in most of the states is a twofold one. First, the structural barriers must be removed. Then the constructive battle must be fought to expand old services and introduce new ones.

The chances are that it will be another case of "too little and too late" since in the meantime the federal government will be moving in with new or expanded services which are given either directly, or indirectly through additional grants-in-aid. In

[10] An unpublished manuscript on the effects of malapportionment of legislatures on specific legislation, by Manning J. Dauer of the Department of Political Science, University of Florida.

[11] V. O. Key, *American State Politics: An Introduction* (New York, 1956), chap. 3.

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fact, we may be nearer than many of us suspect to another great spurt in federal expansion. If the present Congress were not checked by presidential veto, we would be in the midst of it right now. After January 1961, a Mr. Veto may no longer be in the White House.

III

Yet we must beware of exaggeration. The federal system is moving in the direction of greater federal power, but it is not becoming extinct. Institutions are tenacious things, and they are transformed slowly. Local governments for experimentation, adaptation, apprenticeship in political leadership, and training for democratic citizenship will continue to function.

The states will continue to create and maintain counties and cities for local government. The states will continue to use the counties as agencies for the administration of state matters, though not as much as formerly, for the state today tends to administer more of its own functions directly and not indirectly. The states will continue to give their own grants-in-aid to the counties—so that the state will increasingly spend federal money it does not collect and collect state money is does not spend. The states will continue to exercise many powers independently of the federal government. Even where the federal government starts exercising a power formerly exercised exclusively by the state, the federal government does not always preëmpt the field, and thus coöperative federalism comes to operate in a wider way. (This whole subject of coöperative federalism is a large and intricate one in itself.) Finally, the state will continue to administer the joint federal-state projects under the federal government's expanding grants-in-aid programs.

Actually, in this century the state has been increasing its powers. State government does more than it did at the turn of the century. Some of these added powers have been taken from the counties, and some of them are new powers never before exercised by any government in the United States. However, the federal government, as we have seen, has taken on more powers, too. Some of these added federal powers have been taken from the states, but some of them are new powers never before exercised by any of our American units of government. The federal government has been increasing its powers at a more

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rapid rate than has the state, and its expanding powers are more significant and pervasive, more ramifying in their effects. Thus while the state has increased in power absolutely, it has declined relatively.

By now, we ought to face bluntly the implications of federal centralization for our open society. About this, there is profound and widespread confusion, even among our "liberals" and "progressives". The "conventional wisdom" places a high premium on the values of decentralized federalism, regarding it as the source of experimentation, adaptation to local variations, apprenticeship for political leadership, training in democratic citizenship, the very existence of democracy, the very preservation of liberty. Does this square with the facts?

J. K. Galbraith in *The Affluent Society* has shown how the conventional wisdom in economics—the discrepancy between our old stereotyped concepts of the traditional free market and the realities of today—clouds our thinking and actions in economic matters. Is it not high time to analyze the conventional wisdom in politics and to inquire whether there is not a similar discrepancy between the stereotyped concepts of the old decentralized federalism and the political realities of today? Is not the conventional wisdom in economics linked with that in politics? Do not our anachronistic, ritualistic and mythological notions about political decentralization help perpetuate our anachronistic notions about the "reality" of the free market today? Are not our horse-and-buggy state governments among the most formidable barriers to our meeting present-day economic and social needs? Do not people who recognize today's limitations on the free market but at the same time cling to the primacy of the local governments in effect nullify their insights into economics with a superstitious political faith?

It seems to me that an examination of the realities of contemporary politics would go far to show that federal centralization means wider economic and social fulfillment for the individual and the nation, and at the same time means not less democracy but more democracy, not less liberty but more liberty.

IV

Even if the federal system were becoming extinct—which it is not—there would still be local governments. It is a rather naïve

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and parochial notion that we must have a federal system in order to have local governments with administrative and even discretionary powers. Even governments that are not federal at all —that are national in character—decentralize and allow for considerable creativity in local government. Most of the governments of western Europe are national, not federal, but they allow for local governments. These local governments provide apprenticeships for political leadership. Adenauer was mayor of Cologne. The Chamberlains saw service in the municipality of Birmingham. Attlee learned his politics in the London County Council. Many of the members of the French Chamber of Deputies served their towns and cities as mayors. If our American cities succeed in freeing themselves from some of the unreasonable restraints of the states, this might mean a further weakening of the traditional federal system, but it would surely result in a great energizing of local government!

In many ways experimentation in state and local governments is on the increase, particularly in technical and administrative matters. Home rule for the cities, where it exists, allows a wider scope for experimentation. The federal government, in gathering, organizing and disseminating data about state and local governments and in insisting that the states, under the grants-in-aid programs, keep better records and organize data, is actually stimulating experimentation and adaptation to local needs.

We must guard against an unwieldy federal bureaucracy, but we must also remember that federal administration and federal administrators are not the evil things they are often said to be. Federal administrators are in general better trained, better protected by civil service, and better audited financially than are state administrators. We should keep in mind that because a power is federalized it does not follow that its administration will be centralized in Washington. Federal administration may be regionalized, and indeed some of it is already regionalized. Even so, federal administrators do administer over a wider geographical area, and therefore minister to a larger number of groups, interests and values, and must be responsive to them. The people can influence federal administrators through their local congressmen and senators. Practical politicians frequently observe that people today have a greater feeling of intimacy with the federal government than they have with their own state and

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local governments, that people know their local congressman better than they do their local state legislator, that they bring him not only federal requests but many state and local requests.[12]

Now, it is just as important to resist improper pressures as it is to respond to legitimate and democratic ones. Federal officials and administrators, since they minister to a wider area and to more groups, interests and values, are in a better position to resist improper pressures. If they offend some groups, they may compensate by increasing their popularity with other groups. Federal administrators are farther removed from particular local prejudices; they get a wider perspective; it is harder to convince them that a handful of people represent the whole universe. Usually, what we mean by an official's "growth" is the result of his transferring from a position of narrower horizons to one of wider horizons.

True, there recently have been disclosures of improprieties in some of the federal commissions in Washington—but that is just the point: in the federal government, because of the clash of more diverse and articulate interests, the federal commissions get the white heat of publicity, whereas the work of the state commissions all too often passes unnoticed. As a result of the recent disclosures, a great hue and cry has arisen to put the federal commissions beyond all pressures, to put them above and beyond the battle. In a democracy, this is dangerous nonsense. In a democracy, what we must avoid is secret and undue influence by some groups and interests; what we must guarantee is open access by all groups and interests.

There is a tendency to look back to the nineteenth century, when the state played a larger part in our federal system than it does today, and to say: "That was the day of real democracy, but now with all this growth of federal power, democracy is dying out." Now, it is romantic to think that we can return to an agrarian past. It is also romantic to think of that agrarian past as democratic. We look back and idealize the past. We visualize people in their rural neigborhoods and villages, in their town halls and county courthouses, all interested in politics, all par-

[12] Emanuel Celler, *You Never Leave Brooklyn* (New York, 1953), p. 266. Congressman Celler's experiences have been largely confined to the concentrated metropolitan areas, but they tally with my own long-time observations of politics in Indiana and Florida and with the experiences of many practical politicians in those states with whom I have talked.

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ticipating in politics. Actually, politics in those days was largely a matter for professional politicians, for tight little caucuses and conventions, for county rings, for machines and bosses, for local bigwigs and notabilities. Politics was largely a matter for native, white, Protestant males, especially planters, big farmers, and the prosperous business and professional classes. Actually, nineteenth-century democracy was a limited and restricted democracy, a mere preface to our wider democracy of today.

Today, our democracy is mass democracy, metropolitan democracy, melting-pot democracy, group democracy. Politics centers less on caucus, convention, courthouse, town hall, and state capitol. People learn, discuss and operate in politics more through their functional groups—their economic, social, occupational, professional, business, labor, farm, ethnic and religious organizations. Today, there are more groups; they are better organized; they are organized nationally. The newer, popular, and numerically larger groups have learned how to use their national organizations on the federal level to by-pass the local traditional power structures, the local planter-lawyer-doctor-banker-realtor-insurance-business élites, to achieve a wider influence in public affairs and a larger respect for popular interests. This has not resulted in neglect of the interests of the traditional local élites—they still have an enormous influence—but it has resulted in a better and more democratic balancing of interests.

For people are still interested in local politics, and through their organizations they discuss and participate in local politics. Today, it is at the PTA meeting, the teachers' meeting, the League of Women Voters meeting, the woman's club meeting, the Junior Chamber of Commerce meeting, the civic club meeting, the union meeting, and the farm organization meeting that people learn about and discuss local politics. Thus today, more people, more different kinds of people, participate in local politics than ever attended the old courthouse rallies, which were largely composed of the politicians, the officeholders, their families, their friends, and those who wanted political jobs. Today, even in semirural states, widely representative community organizations, like the local and state PTA and the local and state League of Women Voters, are playing a relatively larger part in politics, and the old county rings are playing a relatively smaller part.

In general, the most undemocratic areas in America are the

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small rural counties, the very ones vastly overrepresented in the legislatures, for these counties usually have the smallest number of diversified and organized groups, and the professional politicians, with the voters atomized and less aware, can be less responsive to needs and more free to operate on their own, to serve their own interests or to serve interests at variance with those of their rural constituents. Today, it is the heavily rural counties, where the traditional local élites still predominate, which continue to operate most like the way the "democracy" of the nineteenth century operated.

People who look back to the past emphasize "the freedom of the states". People who would come to grips with present-day realities emphasize freedom of association, the importance of group organization, and fair representation on all levels of government.

Last, and most important, what of liberty? The "conventional wisdom" in America has it that liberty is nurtured by local government and dries up when government becomes far away and remote. This does not square with the realities. Most tyrannies in history, and some of the most onerous, have been local. Indeed, a central trend of western civilization has been the breakdown of the rule of local feudal lords and local magnates and the development of the national democratic state, which has done much to free individuals from local shackles.

The most frequent violations of constitutional processes and civil liberties in the United States have been in the states and localities. Let us mention a few examples: the shoddy treatment of Negroes, aliens and migratory laborers in many states; the Lusk gag laws of 1919 in New York State and the expulsion of the Socialist assemblymen from the New York State legislature in the same year; the control of Indiana by the Ku Klux Klan in the mid-1920's; the Huey Long dictatorship in Louisiana; the existence of prohibition in many states long before and long after prohibition on the national scene. Traditional decentralizers are in the habit of saying that prohibition in Kansas is all right because it is an adjustment to a local variation, but that prohibition on the national scene is a mistake. Are not a person's liberties as much impaired by prohibition from Topeka as by prohibition from Washington?

Think back, too, over our judicial history. Have not most of the judicial miscarriages been in the state courts, and not in the

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federal courts? There would be more of these were it not for the due-process-of-law clause and the equal-protection clause of the Fourteenth Amendment, and for judicial review in the federal courts by federal judges removed from local prejudices, sustained by a broad national opinion, and taking the large and long view.

In historical perspective, periods of extremism and hysteria on the national scene have been infrequent, short-lived, and relatively mild. Three of these stand out. One was the "black cockade" reaction of the John Adams administration, which gave us the Alien and Sedition Laws. Another was the Palmer Red Hunts of 1919. The third was McCarthyism and the spate of congressional investigations into subversion, without due regard for civil liberties, in the early and middle 1950's during and following the Korean War. All of these proved to be abortive. Witch-hunting on the national scene created a furor and collapsed several years ago, but it continues on the state level, where little McCarthys in some of our state legislatures have set up committees which are currently investigating subversion, un-Americanism, socialism, communism, the NAACP, immorality, and sundry other things. It goes without saying that many of these investigations are being conducted with no nice respect for personal civil liberties. On the national scene these would produce furious indignation and vigorous countermeasures, but in the states there is apathy.[13]

Even during the national trauma of the Civil War, the conduct of President Lincoln was moderate compared to the highhanded methods of a Governor Oliver P. Morton in Indiana.

There are several reasons why liberty is better safeguarded in the nation than in the state. The chances are greater of having independent citizens and newspapers to speak out against passion and injustice. It is harder for a single group or faction to get control of the government. It is more difficult to form a majority, and even more difficult to form an opinionated majority.

[13] For the activities of one of these legislative investigating committees, the Florida committee probing into the NAACP and subversion in that state, see the files of the *Tampa Tribune,* Tampa, Florida, from mid-October 1958 through March 1959. The committee got sidetracked into an intensive inquest of subversion and immorality at the University of Florida. Not a single leader or newspaper in the state protested or even questioned the investigation or its methods.

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Within the wide scope of the nation there are many more classes, groups, interests and values which check, restrain and counterbalance one another. All of this is stated in *The Federalist*, and it is as true now as when it was first written.

Is it not a curious paradox that today, when we are much more national than we were in 1789, these truths in *The Federalist* have almost ceased to be expressed, that they are all but drowned out in the steady drumfire of expressions of fear of federal centralization? Why do those who favor federal centralization today put their case almost exclusively in terms of concrete measures and refuse to put it in a wide and philosophic setting as the centralizers of 1789 did so admirably and successfully?

There are more groups today than there were in the early days of the Republic; they are better organized; they are more nationally organized. These groups help check big business; they help check big government; they help check one another. The group process is coming to be recognized as another of our guarantees of liberty along with the written Constitution, judicial review, separation of powers, and federalism. The states have declined somewhat and the federal system has become somewhat weaker, but the group checks have become stronger. Liberty is better safeguarded in those areas where there are many and well-organized groups than in the areas where they are fewer in number and less organized.

In the earlier days of the Republic, the states thundered at the government in Washington, and legislatures often instructed United States Senators out of their seats. Those days are gone. Today, it is the groups that restrain government and our political parties, and thus play a vital rôle in the processes of both democracy and liberty. Fortunately our two major parties in America are center parties; neither runs to extremes. But when the Republicans are in power in Washington and incline too far to the right, they are checked not so much by the states as by the activities of the nationally organized liberal groups. And when the Democrats are in power in Washington and incline too far to the left, they are checked not so much by the states as by the activities of the nationally organized conservative groups.

What happens when a national organization gets too ambitious and overreaching? Then other groups tend to ally themselves against it. And it is important to note that if government

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is necessary to regulate such a group, it is the federal government which must do it, for our leading national organizations are now too large for effective state regulation. Also, any hidden collusion of groups would ultimately bring resistance of other groups and intervention by the federal government.

Are the rank-and-file members of America's mass-group organizations exploited by their own leaders, their own élites? This and other aspects of our increasingly corporate and group society (particularly the spiritual and personality aspects) are beyond the scope of this discussion. However, it should be said in passing that it is a safe guide to assume that farmers, wage-workers and Negroes are better judges of their own interests and leaderships than are outside élites, and it seems indisputable that the individual members of mass groups now have better economic conditions, enjoy wider civil liberties, and exercise more political influence than they did in the days when they were unorganized and atomized.

All parts of America are becoming more alike, but more alike in their diversity. Formerly, the diversity of America was geographical; diversity expressed itself in differences from locality to locality and from section to section. Today, as industrialization and urbanization spread, every community is becoming more diversified, coming to contain within itself a larger number of different groups and values. This new pluralism, found on all levels but particularly on the national level, will do much to offset the relative decline of the states, prevent the dangers of federal centralization, and preserve and extend both democracy and liberty.

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REVIEWS

Tomorrow a New World: The New Deal Community Program. By PAUL K. CONKIN. Ithaca, Cornell University Press, 1959. —ix, 350 pp. $6.00.

Professor Conkin is justified in thinking that the word "community" was filled with meaning for those who, in the nineteen twenties were disillusioned with the apparent failures of industrial civilization. Society seemed to be moving in the direction of depersonalized urban conglomerations in which autonomous monopolies threshed about like titans in some prehistoric landscape. During the great depression, which lasted long enough to demonstrate that it was a good deal more significant than a mere business depression, nearly everyone, even the most conservative, was questioning his former faith in our institutions and casting about for alternatives. This was something that ran deeper than mere disillusion. There was considerable wonder whether, if something reconstructive were not done soon, there might not be mighty upheavals. From the vaunted prosperity of the New Era (which was not so remarkable to the backward look at the end of the decade) to paralysis in industry, following a long and agonizing ordeal of agricultural depression, and itself followed by a breakdown of the financial system, was a reversal which tried the faith of all Americans. It was worse because there had just been instituted in most industrial operations the revolutionary systems of scientific management, and this had run on into a technocracy craze which had not hesitated to promise a push-button factory system. There was no lack of power to produce; yet millions of people had practically nothing.

In their alarm and confusion many different sorts of leaders turned to planning as a kind of rational substitute for the chaos that, they could now see, had prevailed throughout the economic world. Its disorder had determined the state of most social institutions. Cities were unplanned, their organs unrelated to each other, their functions haphazardly operated, corruption the rule rather than the exception. Rural life was losing its traditional character, the family farm struggling to survive, tenancy rising, and migration to already overcrowded cities increasing.

Some very considerable figures in the world of that time, looking beyond their own small realms, adumbrated a general philosophy of change. Henry I. Harriman of the United States Chamber of Commerce, Gerard Swope of General Electric—

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these and many others began to talk to each other about a new social order. True, what they had in mind was an order established by themselves, one in which big business would play a very large, a decisive, part. But their ideas at least departed radically from the theory of free competition which they had always praised so highly even when they were busily making its operation impossible.

One small sector of this new order had to do with a way of living in better ordered communities. There was a kind of homesickness—historic homesickness, Veblen called it—for the simpler days of the past when such terrible troubles were still unknown. This was largely imaginary too; but it had reality in people's wishes. The village of the past, and small, self-sufficient communities in which face-to-face relations were the rule, where there was such self-sufficiency that independence of the outer world was nearly complete—these were the utopias that many tired and discouraged urban dwellers pictured to themselves. People in these circumstances had been immune to unemployment; and, if they had been poor, they still had had shelter and food.

It is on this concept that Mr. Conkin believes much of the New Deal, in its first stages, centered. Back to the land was an obvious program for those who had failed in the city. And rural communities seemed to many leaders a way to escape from the burden of managing relief for the displaced millions who were standing in soup lines, cadging for casual jobs, falling further and further into despondent helplessness. Give them a little house and a little land and they would look out for themselves. They could be forgot. Even Franklin D. Roosevelt advocated such a solution.

It was natural that when he became President he should encourage the establishing of a federal program looking to the encouragement of subsistence homesteads. They fell at once into the difficulties it afterward seemed obvious they must fall into. The people who planned them had no very realistic notion of what they were to build or what the inhabitants were actually to do. There was confusion and disappointment. And when the unemployed moved in they proved to be as inept at part-time farming as they had been at part-time city employment. The political critics of the New Deal had a field day with the various schemes.

Mr. Conkin analyzes the general idea and goes on to its execution. It is a sad story. It illustrates what the most earnest amateurs are apt to encounter when their dreams collide with reality. And the disillusionment had to take place in the nasty

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wind blowing from a hostile press. The President carried it off as best he could. He pretended that he had never heard of the schemes; and so much else was going on that the considerable effort to discredit the whole New Deal through this particular program gradually dissipated.

There was one part of the community program which was more successful in the sense of being realistic and adapted to the conditions of modern life. This was the Suburban Resettlement program of the Resettlement Administration. But it too was a failure, not for the same reason as that of Subsistence Homesteads, but because it was too successful as a planning venture. It demonstrated what could be done by an approach to the problem of urban living without the intervention of promoters, real estate speculators, and the tangle of profit-takers that battened on home builders. Its threat was understood at once, and long before the program had got well under way; and the threatened interests—joined, it is sad to say, by the newspapers whose advertising revenues were involved—began a vicious and determined attack on the whole program. The campaign succeeded. The first enthusiasm for the New Deal rather receded as prosperity showed signs of returning, and it was possible to picture the greenbelt towns as costly, inefficient, subversive, un-American—and so on. What had been an intention to build a hundred such communities on the outskirts of cities was reduced to three in the end, and those were never really finished. In view of this, it is remarkable that for decades afterward these should still be examples of good planning, first-rate execution, and sensible adaptation to modern life. Greenbelt, the community outside Washington, although it has suffered every kind of attack, been sold to speculators, been invaded by real estate developers, been denounced as communistic, and been passed about among hostile bureaucratic organizations, is still the most beautiful and efficient suburb in the United States for low-income families.

Mr. Conkin makes a fair appraisal of all this. His is, indeed, about the only understanding account of the whole community idea, its origins, its hapless history, and its meaning for those who would reorganize the terms of life for those Americans who do most poorly in our industrial civilization. The American Historical Association which sponsored the study is to be congratulated on its fairness, and perhaps its timeliness. There is going on at the present time a reappraisal of urban problems in which it is seen at last that the scheme for Greenbelt towns offers almost the only forecast and example of what must be done now at great cost. It might have been done twenty years

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ago at a fraction of the expense. Its sponsors could not prevail in the then existing climate; but they have prevailed in men's minds, at least those who are now concerned with the frightful degeneracy of our urban areas. They did not have all the answers; but if they had been allowed to go on, it is now clear that they would have found many of them. And our society would have been saved much anxiety and a truly astronomical expense.

R. G. TUGWELL

GREENBELT, MD.

La Guardia: A Fighter Against His Times, 1882-1933. By ARTHUR MANN. Philadelphia and New York, J. B. Lippincott Co., 1959.—384 pp. $6.00.

LaGuardia in Congress. By HOWARD ZINN. Ithaca, Cornell University Press, 1959.—x, 288 pp. $5.50.

Arthur Mann has not only written the first high quality biography of La Guardia; he has also produced one of the best political biographies of the decade. His success in these respects is made the more impressive by the fact that he has here told only the first half of the La Guardia story. The second volume, presenting the shift of La Guardia from legislative dissent and insurgency to executive leadership, from the rôle of free-wheeling critic to the rôle of responsible and vulnerable command, will be awaited impatiently by all students of urban politics and by all those involved or interested in the politics of New York City.

Politics, broadly conceived, is the biographer's reference point. His book is primarily concerned with "La Guardia the professional politician, about how and why he won office, kept it, and what he did with it." In his pursuit of these curiosities the author demonstrates an admirable competence, combining painstaking scholarship with a sure instinct in grasping and interpreting the intricacies and realities of politics and the behavior of politicians both in the New York City districts and in Congress. Mann finds the central explanation of La Guardia the politician in the fact that he was

> a marginal man who lived on the edge of many cultures . . . half Jewish and half Italian, born in Greenwich Village yet raised in Arizona, married first to a Catholic and then to a Lutheran but himself a Mason and an Episcopalian . . . a part of, yet apart from, the mass of Italian immigrants . . . on whom he would build a political career. They were predominantly peasants; his background

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> was bourgeois. They were purely Italian; his origins were Austrian as well as Italian. They were mostly Catholic; he would attend a Protestant Sunday School knowing that his mother was Jewish and his father an agnostic ex-Catholic. For years to come the Italo-American colony would be foreign-born; he would lead it as a native American bridging the cultures of the New and the Old World. . . . [And while] most of the immigrants settled in the slums of the big city, he grew up in the semi-frontier conditions of the Southwest.

When the young La Guardia returned to New York he was twenty-three, the Arizona boyhood having been followed by almost eight years (1899-1906) in Italy and Austria. As a New Yorker, he was thus also "an outsider", "the cosmopolite", as Jimmy Walker said admiringly, "of this most cosmopolitan city."

La Guardia's marginality, his biographer holds, explains his belligerency in politics, but he emphasizes that "a vision accompanied the anger." This vision, and La Guardia's efforts to achieve it, constitute the core of the biography: the career that led at first through Republican party clubhouses (the marginal man chose the minority party as his ladder) to Congress in 1915, to President of the Board of Aldermen in 1920, to Congress again, where this time insurgency became his consistent rôle for the 1923-33 decade. Interspersed with these successes were two failures in reaching for the mayoralty (1921, 1929) and the sudden ending of his congressional career, at the very peak of his power in the House, by the Roosevelt landslide of 1932. All these forward steps and each setback are portrayed in lively narrative and with great analytical skill. La Guardia emerges from the process as a leader of stature and a uniquely colorful personality, but his weakness as well as his greatness is made clear.

Howard Zinn, whose volume is published under the auspices of the American Historical Association, has written a more specialized study of La Guardia. His thesis is that "most of the later New Deal legislation was anticipated by La Guardia, Norris, Wagner, Costigan, and others both before and after the 1929 crash so that, when Franklin D. Roosevelt took his oath of office, a great deal of initial work had already been done." La Guardia's ceaseless activities from 1917 to 1933, primarily as a floor fighter in the House, are examined with care and detail from this perspective. The author concludes that La Guardia was "the herald of a new kind of progressivism, borne into American politics by the urban-immigrant sections of the population. In many ways he was a scout and reconnaissance man for the New Deal. And yet, even the New Deal did not venture

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as far as LaGuardia in thought and action." These are larger claims than Arthur Mann makes for La Guardia; and, while Mr. Zinn presents his case persuasively, the more modest judgment is the more convincing. In the decade that followed 1933, when La Guardia and Roosevelt were often close collaborators and both were executives rather than in the rôle of critics, there is no compelling evidence that La Guardia was the more experienced in policy, or the bolder in thought and action.

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Political Man: The Social Bases of Politics. By SEYMOUR MARTIN LIPSET. Garden City, Doubleday and Company, Inc., 1960.—432 pp. $4.95.

The fact that this book might with equal appropriateness have been entitled "The End of Political Man" gives it an importance and a unity which are not immediately apparent. In form it is a collection of studies of Western political movements and voting patterns which were undertaken independently of one another and most of which have been previously published. I do not mean to suggest that such a collection is to be regarded as a minor achievement: the author's talents, some of which are rare among professional sociologists, preclude that in any case. As a matter of fact, the book is, in my view, the most important single volume on the sociology of voting yet to appear in the United States or anywhere else. The breadth of Professor Lipset's comparative range, his complete lack of national parochialism, is likely to impress the reader most of all. He rarely says anything about voting habits in one place without telling us whether or not the same habits prevail in an array of other places which may include Finland, New Zealand, and the Canadian prairie provinces as well as those major Western nations whose politics have been intensively studied. Moreover, he is quite free of the chief vice of the professional sociologist: the tendency to lose sight of the problem and become bogged down in methodological details and conceptual digressions. His documentation is always copious and far-ranging, but it is invariably relevant and never seems pedantic or needlessly padded.

But what really gives the book its unity and focus is less the kind of empirical data considered (largely statistics on voting and on the socioeconomic composition of parties and movements), or the comparative approach, than the dominance of a common theme. The theme is the attenuation of class conflict

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in Western societies. As the author puts it: "The characteristic pattern of stable Western democracies in the mid-twentieth century is that they are in a 'post-politics' phase—that is, there is relatively little difference between the democratic left and right, the socialists are moderates, and the conservatives accept the welfare state. In large measure this situation reflects the fact that in these countries the workers have won their fight for full citizenship" (p. 92).

Some of the less empirical essays explore the larger theoretical implications of this conclusion, but the bulk of the book is devoted to documenting it with great thoroughness from the voting behavior of Western electorates in general and of those social groups which have in the past responded to the appeals of extremist revolutionary and reactionary movements in particular. The view that yesterday's political struggles no longer have much meaning is, of course, fairly prevalent these days. Lipset's massing of the electoral evidence revealing the decline of the Left and the success of the Right once it has been converted to the support of policies it formerly opposed should, however, convince the last diehard who denies the depth and consistency of this trend (although he is still at liberty to dislike the trend and to object to the rather complacently determinist view Lipset sometimes takes of it).

We learn in the opening chapter that the sociology of politics must concern itself with the conditions favoring consensus and political stability as well as with conflict and cleavage, the Marxist heritage. The next group of chapters attempts to fulfill this prescription by examining the prerequisites for a stable democratic political order. An even but not too rapid rate of economic growth, legitimacy of the régime in the eyes of all major groups, and the existence of cross-cutting rather than superimposed bases of political division are seen as the main prerequisites. Left-wing and Right-wing antidemocratic movements —communism and fascism, to put the matter too simply—are then given a chapter apiece. Next a long section summarizes with marvelous economy and interpretative richness the social correlates of voting, nonvoting, and support for parties of the Left and Right. The sense the author manages to make out of the huge diversity of material he surveys reveals the workings of the modern sociological mind at its all too infrequent best. Several chapters on American politics, a discussion of democracy and bureaucracy in trade unions, and a concluding personal postscript on the "end of ideology" close out the book.

At times Lipset is insufficiently aware of the limitations of his special approach. Political differences are not entirely reducible

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to differences in the social bases of parties and movements. Even if one agrees that McCarthyism and Poujadism both expressed the frustrations of small business men (and when it comes to the evidence in the case of the former I am not convinced that Bennington, Vermont, is America), they were surely very different kinds of movement, making very different kinds of ideological appeal. The shakiest essay in the book is, I think, the much-discussed (*Time* picked it up) case made for the view that American intellectuals are far more highly regarded by their nonintellectual fellow-citizens than they believe. Professor Lipset seems to think that intellectuals feel they are not sufficiently deferred to, as if this were all that they were complaining about.

Yet while I think he fundamentally misses the point in this essay, there is enough substance to it to invite discussion and the mustering of contrary evidence. The combination of a sense of what is significant, a historically sophisticated theoretical awareness, and the "hardest" sort of empirical data is the book's special virtue.

DENNIS H. WRONG

BROWN UNIVERSITY

Sources of Our Liberties: Documentary Origins of Individual Liberties in the United States Constitution and Bill of Rights. Edited by RICHARD L. PERRY under the general supervision of John C. Cooper. Chicago, The American Bar Foundation, 1959. Distributed by Associated College Presses, New York University, New York.—xxii, 456 pp. $5.00.

In Quest of Freedom: American Political Thought and Practice. By ALPHEUS T. MASON and RICHARD H. LEACH. Englewood Cliffs, Prentice-Hall, Inc., 1959.—viii, 568 pp. $6.95.

Political Thought in America. By ANDREW M. SCOTT. New York, Rinehart and Company, Inc., 1959.—xiii, 668 pp. $8.50.

The student of American political institutions will find these three publications of varying usefulness, depending upon his own particular interests and needs. It is likely that *Sources of Our Liberties* is the most valuable addition to the literature because it brings together in a single volume the major legal documents that provide the foundation for our individual liberties. Beginning with Magna Carta and concluding with the first ten amendments to the Constitution, the editor and his supervisory consultant have reproduced in their entirety thirty of the most fundamental and influential building blocks in our Anglo-American structure of civil rights. By arranging them in chrono-

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logical order without reference to their country of origin the editors bring home to the reader that, notwithstanding our English origins and our priceless heritage of Magna Carta, the Petition of Right, etc., some of our most important present-day guarantees do not date back to medieval times but instead were the products of the social struggle of which the American Revolution was a part.

The documents, which include several of the colonial charters and the bills of rights from the revolutionary state constitutions, provide the real heart of this volume but their significance is heightened substantially by the two hundred pages of introductory commentary and notes—a model of clear, concise yet highly absorbing exposition. The collection, conceived and executed by the American Bar Association Foundation under grants from the Sloan Foundation, should find heavy use in courses on political institutions and thought.

In Quest of Freedom: American Political Thought and Practice adds another general work to a field that is currently enjoying great popularity. Messrs. Mason and Leach focus their work chiefly on an area that has been central to our historical development: the clash between property interests and popular power. This theme thus serves as the keynote and also as the organizing principle for the book.

On the credit side this study has important assets: it is well written, combining admirable compression and extensive coverage with clarity and genuine felicity of style. One reads with a sense of anticipation rarely experienced in a work that is so solid in its scholarship, so careful to avoid journalistic devices. Good footnotes enable and encourage further reading but it is to be regretted that the authors did not go a step further and provide lists of selected references similar to those which add so much to Professor Mason's *The Government in the Making.*

When one turns to content, *In Quest of Freedom* comes off less impressively. Perhaps the emphasis on freedom and the struggle between authority and individual rights dictated a limited as distinguished from a broad, inclusive consideration of American political thought. Whatever the reason, the coverage and emphasis of the book hardly fulfill the promise of the subtitle, *American Political Thought and Practice.* For example, the institutional aspects of American government and politics are virtually ignored. The influence of expanded suffrage from the Jacksonian period onward, the philosophy of political power, populism, progressivism, urban and agrarian thought receive almost no attention. The Muckrakers, civil service and municipal reform, and public ownership are accorded only

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slight recognition. Articulate and influential figures such as Herbert Croly, Theodore Roosevelt, the elder La Follette and William Howard Taft are permitted to pass with little notice. The struggle of labor to power is not carried beyond the period of Gompers and Debs; the Negro from the Civil War to the present is ignored and the wartime treatment of American Japanese is not even mentioned. Surely these are landmarks—or scars—of our social and political system and as such can hardly be excluded from a serious consideration of American political thought.

One of the criticisms made of the preceding volume, the slight attention accorded institutional factors, is certainly not applicable to *Political Thought in America* by Andrew M. Scott. Indeed, the chief distinguishing characteristic of this otherwise conventional compilation of readings is the chapter on "Groups, Parties, and the Political Process" in which the author-editor includes materials ordinarily found in readings on governmental institutions rather than on political thought. In line with his belief in the relevance of such instrumental matter a number of his selections throughout the book emphasize the institutional aspects of our government.

In other respects Professor Scott has not chosen to break new ground. His selections are judicious, germane to the main current of discussion on each topic, and of sufficient length to afford the reader considerable penetration into the issue under consideration. The essays which total about ninety pages of text are well written and, within certain limitations, useful. They deal generally with the individuals and some of the events or issues presented in each chapter. The reader is handicapped by two shortcomings which must be regarded as editorial deficiencies: the absence of introductory explanations indicating the context from which the excerpt was selected; the failure to provide a complete citation showing not only the work but the chapter or pages to facilitate further reading. This shortcoming is further aggravated by the absence of any bibliography or reference list.

LAWRENCE H. CHAMBERLAIN
COLUMBIA UNIVERSITY

The Congressional Party: A Case Study. By DAVID B. TRUMAN. New York, John Wiley & Sons, Inc., London, Chapman & Hall, Ltd., 1959.—xii, 336 pp. $7.50.

This is an admirable piece of research, well designed, well executed, and written with polished lucidity. The subject of Professor Truman's concern is the nature of the political parties

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in Congress, and the findings he presents in so skillful a fashion add considerable clarity and understanding to this somewhat occult phase of Congressional life. The parties in Congress are the subject of much comment, and during elections the ability of a party to form a majority in Congress is thought to be a political prize of great value. In historical times, the operation of the parties in Congress has often been controversial, and some attempts to achieve a greater degree of party homogeneity have been met with republican derision: there would be no King Caucus or Czar Speaker on these shores! The controversy, carried on in modern times, is centered on the committee structure and the efficacy of the seniority rule; on the power and influence of the Majority Leader; on the effect on government when control of the presidency and of Congress is divided between the parties; and on Congressional representation in the councils of the national party. The newspapers, also, are replete with partisan comment, and in their columns the congressional parties often appear to be formidable and powerful entities.

On the other hand, reliable or at any rate demonstrable facts on the nature of congressional parties are scarce, not from any lack of interest but because of the singular perversity of the problem. The general contours of the parties in Congress are known with some certainty, but their perplexing diffuseness, their apparent lack of structure, and their singular contrast to the disciplined parties, say, of the British Parliament, have made it difficult to form satisfactory generalizations concerning them. In Professor Truman's terms, the party has some meaning to its members, and its failures may be of consequence, but the retention of political status for the member is not completely dependent on the performance of the party.

The special merit of this magistral work is that it develops a technique for uncovering the patterns and uniformities that exist within the amorphous party framework. The method seems simple, that of analyzing the paired agreements on the numerous roll-call votes in the House and Senate; and the period covered is limited to the two years of the 81st Congress (1949-50). This seemingly simple analysis of paired votes involves a multitude of transactions, and Professor Truman comments, somewhat wearily, that, on a single roll call, "the number of possible agreements among the 262 Democrats in the House in 1949, taken two at a time, is 34,191" (p. 45). There were more than a hundred roll-call votes each session in the House of Representatives and more than two hundred in the Senate. The method followed is fully described in the book.

Using these selective data, Professor Truman has attempted to

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answer a variety of questions relating to the congressional party, and his own estimates of the political milieu have been supplemented by extensive interviews in Washington. The net result of this patient, conscientious research is a very rich harvest indeed. The patterns now begin to form, much as the image suddenly develops, with gratifying clarity, on a photographic print in a dark room, and one sees the combinations and permutations of the two parties in the two chambers; the rôle of the various leaders, those elected and those who acquired power through seniority; the subtle effect on partisanship of committee identity; the impact of state delegations; and even the nature of presidential leadership. Some of the most revealing sections are those on the nature of party leadership and the relationship between the elected leaders and the committee leaders. Unfortunately there is not sufficient space to enumerate in any detail the various findings, and it is recommended that this interesting book be examined at first hand.

The development of a project of this scope requires time, perseverance and skill of a high order, yet the data do not overwhelm the interpretation, the book never drags, and one of its singular merits is the clarity, even suspense, with which the tale unfolds.

ROLAND YOUNG

NORTHWESTERN UNIVERSITY

The Corporation in Modern Society. Edited with an Introduction by EDWARD S. MASON. Cambridge, Harvard University Press, 1960.—xv, 335 pp. $6.75.

The corporation as a system for the administration of power is attracting renewed interest. Perhaps criticism of socialist concentration of power has aroused concern whether we in our reliance on a productive technology similar to the Russian have been led into a comparable concentration.

The present volume is little concerned with monopoly and antitrust problems. In passing, one writer accepts the fact that technological and economic circumstances have given birth to business units that have outgrown the bounds of enforced price competition; in short "the power to restrain trade cannot any longer be prohibited". Another remarks that the corporate system has not been notably successful in carrying forward basic research largely because the individual corporation bears the cost while the benefits are widely distributed. The conspicuous weakness of this country in such research indicates a need for heavy public investment.

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Professor Lintner of Harvard reviews the original speculations of Berle and Means (some since modified by A. A. Berle) as to the probable consequences of the separation of corporate ownership from control and the growth of large (nonfinancial) corporations and concludes that most of the feared consequences have not been realized. There is little evidence that the managements of the large corporations have used their power to increase their dominance over the corporate sector as a whole or that the sector has increased its command over the economy. Large corporations have become larger but on the whole their policies have continued along lines of profit maximization. No greater proportion of earnings than formerly has been retained to finance growth without submitting to the test of the capital market, and such retained earnings have been used substantially in line with criteria of profitability.

The volume is chiefly concerned with the concentration of power and the framework within which it is exercised. There is little doubt that the corporate managerial class holds vast power or that the constraints upon it are few and weak. Shareholders are incapable of effective regulation of management. Even institutional investors sell their securities when disapproving rather than exercise their voting rights. Management has so far accepted its position as an independent self-perpetuating group that occasional expulsions resulting from proxy contests are regarded not as normal to the operation of corporate democracy but as "raids". In fact the corporate system is in sharp contrast with our democratic political traditions.

Professor Mason, in an admirable introductory essay, attributes our failure to remodel the system to the inevitability of the emergence of something like the corporation in an industrial society, the absence of evidence of markedly adverse influence of the system on the economy, the fact that it is so deeply imbedded in the whole fabric of society that its substantial modification would drastically change the whole social structure, and, finally, to the lack of consensus as to desirable reform which leaves both the general public and legislators without guidance.

In the main, the contributors are fearful of the concentration of control and the lack of constraints upon it. They are unimpressed by the suggestion that a quiet corporate revolution now in process is displacing the former objective of profit maximization in favor of the more benign purpose of equitable sharing of corporate gains. They question whether the corporate system recruits management suitable to this purpose or can develop a mechanism to formulate and enforce such a standard. But, more fundamentally, they urge, very properly, that pursuit of

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the general welfare is the sphere of government. Profit maximization is an objective capable of reasonably clear definition and more appropriate to enforcement within corporate structures.

The book contains few suggestions for reform. Perhaps the contributors are inhibited by some of the reasons mentioned by Professor Mason and referred to above. Or perhaps the formulation of reforms is left to the Fund for the Republic in its larger study of our liberties in the modern context to which the present volume is a contribution. Professor Chayes of Harvard, however, throws out the interesting observation that the framers of the constitution sought to regularize the exercise of political power by distributing it, and that the precedent may point a better way to regularize corporate authority than prohibitions on particular uses of power. But he makes no more specific suggestion.

The volume lucidly and judiciously points with discomfort rather than alarm to the implications of the corporate system for democracy. It is a valuable appraisal and it is to be hoped it will stimulate constructive proposals for the removal of the sources of these discomforts.

ARTHUR ROBERT BURNS

COLUMBIA UNIVERSITY

Predicting Delinquency and Crime. By SHELDON and ELEANOR GLUECK. Cambridge, Harvard University Press, 1959.—xxii, 283 pp. $6.50.

The Gluecks are well known for their extensive investigations into criminal and delinquent behavior. In this, their latest study, they seek to establish a systematic approach for dealing with juvenile and adult offenders. The authors have devised a series of predictive tables designed to identify those who are in danger of becoming delinquent; to point out the most promising avenues of treatment; and to forecast the probability of successful adjustment while on probation, on parole, or in institutions. The tables may be used by teachers, judges, parole officials and others who must exercise discretion on individual cases.

The predictive devices are not as simple as might first appear. Although each of the tables employs only five or six predictive factors, some of the factors carry other implications as well. Proper evaluation of such items as "cohesiveness of family" or "affection of father" would require careful study by skilled and experienced workers. It would appear, therefore, that the prediction table provides no quick and easy solution to the prob-

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lem of sentencing or identifying delinquents. The tables systematically and statistically describe experience with offenders of different ages, backgrounds and personalities. This knowledge can be of great value to practitioners who may be required to make decisions on similar cases.

The most interesting of the prediction tables are those which seek to identify the children who are likely to become future delinquents. They deal with character structure, psychological test factors, personality traits, and social factors, respectively. A major weakness of the authors' approach, in the reviewer's opinion, is their failure to consider anything but personal characteristics and family relationships. The Gluecks tend, in their emphasis on interpersonal problems, to underestimate the importance of environmental and socio-economic conditions. The only social factors rated in the Social Prediction Table are discipline by the father, supervision by the mother, affection of both parents for the boy, and cohesiveness of the family. The authors maintain (p. 17) that residence in an underprivileged area cannot be employed either in the prediction of delinquency or as a particularly fruitful target for causal exploration, because most boys living in such areas manage not to become delinquents. They fail to point out, however, that the majority of youngsters who do turn out to be delinquents come from such deteriorated neighborhoods. The Gluecks' Social Prediction Table (the only one of the four to be tested) was constructed from the characteristics of boys living in economically deprived areas of Boston and is now being applied by the Youth Board in a slum neighborhood of New York City. One cannot help wondering whether these predictive factors would be as effective in forecasting the behavior of children living under more privileged circumstances. A permanent cure for delinquency or crime will have to deal not only with personal maladjustments but with broader social and economic problems as well.

The book is a valuable contribution in that it emphasizes the need for individualized treatment in the correctional field. Decisions are too often made on the basis of hunch and superficial outward factors rather than genuine knowledge. There is little doubt that early identification of problem children and proper guidance at the right time would help reduce the incidence of delinquency. Whether these goals can best be attained by use of the Glueck prediction tables still remains to be determined.

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The Soviet Citizen: Daily Life in a Totalitarian Society. By ALEX INKELES and RAYMOND A. BAUER, with the assistance of David Gleicher and Irving Rosow. Cambridge, Harvard University Press, 1959.—xx, 533 pp. $10.00.

Rare indeed are the opportunities for Western scholars to examine primary source data about the U.S.S.R. without benefit of official Soviet guidance, but the fortunes of war happened to leave a large number of Soviet citizens abroad, beyond the control of their government. The perspicacity of the United States Air Force and of Harvard University's Russian Research Center resulted in the careful collection of sociological, political and economic data from these refugees. The authors of this volume, aided and supported by their colleagues in the field, have here produced an analysis of these data, presented in the form of conclusions of fact and judgment concerning the daily life of Soviet citizens.

A word about the methodology is important. The authors have taken infinite pains to assure accuracy and objectivity, and they explain their methods in detail. They make "bias allowances" for their data in terms of the social background, occupational status, political orientation, police experience, and national origin of the refugees. They check factual conclusions derived from data against the findings of other observers wherever this is possible. Their results are precisely stated and their main points of fact are carefully qualified where necessary. Their voluminous notes and appendices should satisfy the most meticulous critic.

The quality of their writing commands attention. The reader finds basic conclusions emphatically stated. He can determine at once the process of their derivation, and, if he has experience in U.S.S.R. affairs, he will be on familiar ground, where his own observation finds objective confirmation and where the basic problem of competing loyalties and goals, as between the free and communist worlds, is posed in arresting terms. The final chapter on the future of Soviet society is required reading. In a few pages, the distilled wisdom of scholars who know their field is set forth with unmistakable clarity.

One of the most important conclusions of the study is that the social-economic base of Soviet society is in fact much like that of the West. In both, the organization man lives in a super-community and works for a super-firm. Efficiency and material comfort are the mass goals. Soviet communism, apart from its more fanatical aspects (Stalinist-Russian medieval sadism, terror and oppression), seems to the authors administratively well

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adapted to modern industrial society and increasingly capable of adjustment as it gains experience and strength. Its advances in technology and foreign affairs can scarcely fail to appeal to the patriotic pride of Soviet citizens.

Since most men show interest in freedom once they begin to master their physical environment, one may wonder what is different about the Russian, and may ask why he does not dislike a system which smothers individualism of thought and conscience under a totalitarian blanket of dogma based on distorted morals, bad economics and a devil theory of history. The authors do not offer much beyond the observed behavior of Russians, but the answer may lie in history. Russians never experienced the individualism and freedom of thought arising from the Renaissance and the Reformation. Those Russians who understood or appreciated the eighteenth-century Enlightenment and the French Revolution for the most part failed to survive the tsarist police state, and were not available in sufficient force to give leadership and direction when it collapsed.

It is unfortunate that historically Russians have had their thinking done for them by their leaders. Under conditions of material scarcity this sometimes was a cause for rebellion; as today's leaders show the way to material abundance and pride of international status, the time recedes when the Russians will awaken to the moral and intellectual values of individualism.

The data for the Inkeles-Bauer study were drawn from people who had suffered under Stalin, and who knew it. They did not object to the basic Soviet system but rather thought it a good one, although they disliked its operation by Stalin. The reader may justifiably conclude that the ostensibly bland and benign reign of Khrushchev can evoke positive support from a people so tolerant of tyranny.

Thus the authors pose the problem of the free world: How to submit to the discipline necessary to protect itself against conquest, without losing the freedom which it defends. One may fairly assume that the technology and strategy of a successful counterpoise to the threat or actuality of conquest should not be beyond the reach of free-world talent. More difficult, we know, is the assertion of the moral values of freedom, hard to define though they may be. It was once thought that freedom's banner would rally allies from among the enslaved Soviet peoples, but this is clearly an illusion. Enslaved they are, but increasingly comfortable and satisfied in their conformity. We know, or we hope we do, that liberty is better than comfort, even for Russians, but they do not know it yet, and perhaps they never will.

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Stalin said that those who fall behind get beaten, and Khrushchev has not dropped this article of Stalinist faith, nor is he likely to. The tireless drive of Soviet leaders and their docile subjects put the free world in mortal danger of aggression from without. The peril from within is that people who should love liberty will, in search of comfort, emulate their Soviet brethren in conformity, and freedom will be lost because nobody cared. This the authors do not say very directly, because it is their purpose to describe and analyze. But the lesson is there for those who read and think.

WILLIS C. ARMSTRONG

OTTAWA, CANADA

Stalin and the Soviet Communist Party: A Study in the Technology of Power. By ABDURAKHMAN AVTORKHANOV. New York, Frederick A. Praeger, Inc., 1959.—379 pp. $6.00.

This "study in the technology of power" is not a systematic analysis of the Soviet political process. Rather, it combines under one cover the author's personal recollections and experiences, a historical outline of Stalin's climb to power, and a somewhat broader analysis of post-Stalin Soviet politics. A member of the Soviet Institute of Red Professors in the middle and late twenties, Mr. Avtorkhanov sketches for his readers the atmosphere which prevailed in this ideological incubator during the late stages of Stalin's conflict with the Left and throughout his duel with the Right. This is followed by a relatively detailed account of Stalin's consolidation of power, of the launching of the collectivization drive, and of the purges which swept the ranks of the CPSU between 1934 and 1939. (The purge chapters are summations of the author's earlier and very good pieces, published by the Russian Institute in Munich.) His final chapters deal with the postwar developments within the Soviet leadership, both before and after Stalin's death. In his closing pages Mr. Avtorkhanov puts forth the thesis that Khrushchev's march away from Stalinism not only involves a measure of relaxation for Soviet society but ultimately could threaten the very system itself. The author sees Khrushchev as acting the rôle of the unconscious gravedigger of the CPSU's power position. In his words, "the Molotov group saw farther and deeper than Khrushchev into the consequences of Khrushchev's campaign against the Stalinist inheritance. They understood only too well that the present régime in the USSR could continue only as a Stalinist régime or perish altogether" (p. 362). Mr. Avtorkhanov's thesis should not be confused with that of Isaac

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Deutscher. Avtorkhanov feels that a revolution against the Soviet system is the likely consequence of Khrushchev's policies; as he puts it, revolutions are made "by the well-fed who have had to go hungry for one day". Much like Deutscher's thesis, this conclusion is presented as an article of faith rather than argued.

The author's effort to combine a broad historical synthesis of events which took place at the very top of the Soviet system with his personal recollections from a relatively low vantage point leaves much to be desired. While the various conversations between the author and his friends do cast light on the issues and on the atmosphere of the times, they also and inescapably raise the question: how much of all this is fact and how much is fiction? Such a query is even more pertinent to instances when the author cites *verbatim* from conversations between Kaganovich and Malenkov or between Stalin and Malenkov *in 1925*. These conversations are said to have been repeated by Malenkov to the author's friend who then in turn repeated them to him; similarly with respect to conversations held several decades ago between Togliatti, Silone and Kolarov.

The chapter pertaining to Stalin's death raises still another problem. The author develops the thesis that an anti-Stalin conspiracy existed within the CPSU Presidium before the dictator's death and that it was sparked into action by Stalin's plans to purge his associates. In so doing, the author does point to a number of mysterious events which took place at the time of Stalin's death and makes quite a good case for the argument that the death may not have been due entirely to natural causes. He appears to be on weaker ground when he states flatly that Stalin was "removed from his post as Secretary General" immediately after the XIX Party Congress, and that Stalin's failure to deliver the Political Report at the Congress was not wilful on his part. It is true that the title of Secretary General was not used after the Congress, but this is not tantamount to Stalin's "removal", while the implication of Stalin's silence at the Congress (he made a brief final address) seems to be contradicted by the author himself who states a few lines later that Stalin used the same Congress (at which he is said to have lost his post and to have been silenced) to pack the Party Presidium with his adherents (pp. 254-255).

A consequence of this is a book with many valuable insights but marred by the absence of a clear focus and by a tendency not to discriminate between fact and speculation.

Z. BRZEZINSKI

HARVARD UNIVERSITY

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Communism in South East Asia: A Political Analysis. By J. H. BRIMMELL. Issued under the auspices of the Royal Institute of International Affairs by Oxford University Press, London, New York, Toronto, 1959.—ix, 415 pp. 42*s.*; $6.75.

Marxism in Southeast Asia: A Study of Four Countries. Edited by FRANK N. TRAGER. Stanford, Stanford University Press, 1959.—381 pp. $7.50.

Although these two books resemble each other closely in their titles and in the central core of the subject matter with which they deal, they differ markedly in organization and attitude and usefully complement each other in several respects. Perhaps the least significant difference is the one suggested by the variation in titles. "Marxism" offers a broader target than "communism", and Mr. Trager and his associates have in fact made some use of the greater leeway offered them. Thus they refer several times and at some length to the Asian Socialist Conference while Mr. Brimmell makes only a single passing reference to it. But both books focus their attention primarily on communism in one or another of its aspects.

With the exception of this slightly more limited attention to socialism Mr. Brimmell casts his net much more widely than does Mr. Trager. The latter confines his study reasonably closely to Southeast Asia itself, and within this area his four collaborators deal only with Burma, Thailand, Vietnam and Indonesia, each contributing a chapter devoted to one of these countries. To this list Mr. Brimmell adds the Philippines, Malaya and Singapore, and Cambodia and Laos, to round out the full Southeast Asian roster, but it is more significant that throughout he presents a running commentary on the development of communist theory and practice at its fountainhead in Russia and later in China. His opening chapters explore the shaping of communism by Lenin and later passages deal in some detail with the contributions and amendments introduced by Mao Tse-tung. It is typical of the attention which he pays to the general communist background that he includes an account of the organization of the Cominform—which he describes as designed to implement Russia's purposes in Europe—and analyzes Zhdanov's programmatic speech at its opening session in Warsaw. In contrast to the country-by-country presentation of Mr. Trager's collaborators, Mr. Brimmell breaks his treatment up into four time periods in each of which he surveys the affairs of the several countries with which he deals, covering much of the political history and party battles and affiliations of Southeast

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Asia even when these are only tangentially connected with his central communist theme. On the way by he is sharply critical at times of American policy toward Southeast Asia and China as well. Both books deal with, and speculate about, the varying channels of communication and instruction between the Communist parties in Asia and Europe and between them and the headquarters agencies in Moscow and Peking.

One other point of difference which should be recorded is that Mr. Brimmell, although he furnishes an equal wealth of detailed material, provides virtually no footnotes and a bibliography of less than twenty items, whereas Mr. Trager and associates document their study with fifty-five pages of notes and a dozen pages of bibliography, both in small print.

The four chapters dealing with particular countries, which make up the bulk of *Marxism in Southeast Asia*—Mr. Trager himself contributes a brief Introduction and a more extensive concluding "Historical Overview and Judgment" of the impact of Marxism—vary considerably among themselves, in good part, no doubt, because of the very different circumstances of the countries concerned. Although each country differs from the rest, the most distinctive set of circumstances is to be found in Thailand where almost everything has conspired to limit the appeal of the Marxist creed and to hold Communist agitation in check. David A. Wilson's perceptive sketch of Thai society lays out the reasons why Marxism has penetrated so slightly. It is his general contention that, with a combination of geography, skill, determination and luck, Thailand has been able to adapt and absorb Western ideas and forces, making it unnecessary to import the revolutionary doctrines of the West to solve her problems.

I. Milton Sacks undertakes the study of Vietnam which remains communism's most evident success in Southeast Asia to date, even though anticommunist South Vietnam has been able to achieve a far greater measure of stability than seemed at all likely in the first year or two after the Geneva settlement. Mr. Sacks examines in detail the long and intricate story of the persons and parties involved in the gradual shaping of the revolutionary movements in Indochina, but for practical purposes his detailed account ends with the outbreak of hostilities between the Viet Minh and France in 1946. Succeeding events are compressed into a few summary pages at the end of the chapter.

In Burma's case John Seabury Thomson, emphasizing the rôle of Buddhism, portrays a shift from Marxism of the Leninist variety, which the nationalists drew upon in their revolt against

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alien rule, to a democratic socialism which they find more congenial as leaders of an independent country. Indonesia is dealt with by Jeanne S. Mintz, one of whose major concerns is to explain how the Communists have risen to their present strength from the low estate to which they fell after the Madiun revolt of 1948. It is regrettable that her account does not carry beyond mid-1957 since it would have been of great interest to secure her estimate of the later relations between the Indonesian Communist party and Sukarno as well as the relations of both of these to the military command.

Both books are cautious in the conclusions which they draw and wary of the hazards of prophecy. It would be a rash man who would lay his neck on the block by explicit prediction concerning an area with so large a measure of internal instability and confronted by so many external pressures, including those deriving from the new China. Yet both books end, with appropriate safeguards, on moderately optimistic notes which are, in fact, of much the same order. Short of a direct Communist take-over, the likelihood of which is estimated by neither, Mr. Brimmell believes that some form of coöperative socialism will be necessary and Mr. Trager sees Southeast Asia developing "a tropical variant of the Scandinavian pattern . . . a philosophy based on Western democracy and Socialism and indigenous nationalism and culture." This would seem a most desirable fate for a region whose peoples are still for the most part in a fairly early stage of adaptation to both independence and the modern world.

RUPERT EMERSON

HARVARD UNIVERSITY

Turkish Nationalism and Western Civilization: Selected Essays. By ZIYA GÖKALP. Translated and edited by Niyazi Berkes. New York, Columbia University Press, 1959.—336 pp. $5.00.

Turkey's Politics: The Transition to a Multi-Party System. By KEMAL H. KARPAT. Princeton, Princeton University Press, 1959.—xiv, 522 pp. $7.50.

The Middle East is a land of ancient myths, and even today the mythopoeic faculty is still working, among both those who dwell there and those who pass there; new myths, in modern style, emerge and evolve to explain the inexplicable facts of nature and of history, and each finds its modern Herodotus out of the West, to record and recount the hieratic mysteries for the edification of his countrymen.

The study of Turkey in the West has been particularly

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affected by myths ancient and modern. It began under the influence of a powerful religious emotion, which may still sometimes be discerned lurking behind the serrated footnotes of the academic defenses. It continued with the so-called "Eastern Question", the study of a phase of Ottoman history where, according to a rigidly observed convention, there were no Ottoman polices to examine and no Ottoman sources to read. It continues into modern times with the parallel and variously embroidered myths of Turkish glory and degradation, of the Turkish leader as paladin and villain, of the Turkish people as pioneers of democracy and as the heirs of Genghiz Khan.

It is therefore with unspeakable—the word comes naturally in the context—satisfaction that one turns to these two volumes prepared by two Turkish scholars working in North America, differing from most—in fairness, one should add not all—previous books on Turkey as does a motorcar from a bicycle, a two-wheeled oxcart, or a flying carpet. Most books on government and society in Turkey in the past have been written by social scientists who knew no Turkish, by Turcologists who knew no social science, or, most frequently, by casual amateurs who knew neither. The same is, to a large extent, true of other countries in the Middle East. In recent years there has been a welcome departure from this ancient and unhallowed tradition, and the work of such scholars as Rustow on Turkey and Berger on Egypt has shown how much can be accomplished by a combination of disciplinary and linguistic skills. Dr. Berkes and Dr. Karpat are both Turks, and show an easy mastery of the literature of their subjects; both also handle the new tools of modern scholarship with ease and skill.

Dr. Berkes, formerly professor of sociology at the University of Ankara and now at McGill, presents a selection from the writings of Ziya Gökalp (1876-1924), a Turkish sociologist who is generally accepted as the leading theorist of modern Turkish nationalism. Competent studies of Gökalp have already appeared in Western languages, notably that of Uriel Heyd. Dr. Berkes for the first time gives us a selection of Gökalp's writings in English translation. None of Gökalp's best-known books are given in full. Instead, Dr. Berkes has preferred to make a choice from his major and minor writings, in order to illustrate both the range of his thought and the successive phases of its development. The selection is in general good, though one might complain of the omission of some of the cruder and more naïve passages in Gökalp's work which, though they might detract from the stature of the author, would add to the reader's understanding of him and of his time.

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The task of translating Gökalp is an extraordinarily difficult one. For one thing, he used a great number of technical terms, many of them of his own manufacture; for another, he was writing in a time of rapid and violent change, when many ordinary Turkish words—such as nation, religion, country, and government, for example—were acquiring new meanings without entirely losing their old ones. Dr. Berkes has acquitted himself very well in this task, and has also provided the reader with some necessary explanatory notes and with an introductory presentation of Gökalp as a culture-hero.

Dr. Karpat has served on the United Nations staff and as acting director of the School of Public Administration at the Middle East Technical University in Ankara, and is now teaching political science at Montana State University. The theme of his book is the development of western-style multiparty democracy in Turkey, in which Dr. Karpat sees a test case for the new states emerging to independence. "The fate of democracy and modernization in Turkey does not stand as an individual case unrelated to the rest of the world. On the contrary it is a vital test of whether democracy and modernization are reconcilable or mutually exclusive for countries in Asia, the Near East, and Africa which, like Turkey, feel compelled to modernize rapidly their traditionalist societies and primitive economies" (p. 41). The continuing and ever-growing interest in the Atatürk experiment shown in many countries in Asia would seem to confirm Dr. Karpat's view of the significance of the Turkish pilot project. The success or failure of the democratic experiment in Turkey, he goes on to say, may well show whether democracy is a part of or an obstacle to modernization, and thus help to determine the attitude of the new nations of Asia and Africa to Western institutions and therefore to the West itself.

Dr. Karpat's monograph is divided into three parts, the first a historical introduction, the second an account of the struggle for multiparty government during the years 1946-50, the third a survey of "ideological and behavioral transformation", and of the development of the party structure since 1946.

In dealing with this subject in this way, Dr. Karpat has, in his first book, attempted something new and important. The work has, inevitably, some of the limitations of novelty; there are questionable statements in the historical chapters, a doctoral tendency to bibliographical ostentation, and many judgments from which other observers of the Turkish scene might dissent. But with all this, the monograph, with its detailed and careful documentation, and its analyses of internal ideological trends and political movements never before described in a Western

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language, will at once take its place as one of the best books that have appeared on modern Turkey, and as a standard work of reference.

In his main theme, the progress of the Turkish experiment in democracy, Dr. Karpat is optimistic, and one reader at least shares his optimism—though perhaps not always for the same reasons. This optimism is confirmed, not belied, by the reports of strains and clashes in Turkish democracy, as contrasted with the unbroken calm elsewhere. A sick man makes more noise than a corpse.

BERNARD LEWIS

UNIVERSITY OF LONDON

The Soviet Union and the Middle East. By WALTER Z. LAQUEUR. New York, Frederick A. Praeger, 1959.—xi, 366 pp. $6.00.

The first half of this work is devoted to a study of Soviet attitudes toward the Middle East since 1917 and is divided chronologically into six periods chosen to delineate general trends in Soviet foreign policy toward the area. The second half is an evaluation of the "Great Breakthrough" of the U.S.S.R. in the Middle East in recent years beginning essentially with the famous arms deal concluded in September 1955 by Nasser and Czechoslovakia acting on behalf of the U.S.S.R.

Laqueur writes almost exclusively in the framework of Soviet attitudes toward the revolutionary nationalism of Asia since World War I. His treatment of the Middle East in this context as an integral facet of the total Asian picture, as seen by the Soviet leadership, makes his study a most valuable one to the student of imperialism and Asian nationalism as well as to those more strictly interested in Soviet affairs or Middle East problems. According to the author, the Kremlin had underestimated the importance and revolutionary potentialities of the Middle East even during the decade following World War II. The blame is ascribed to Stalin for being essentially hostile to the nationalist movements of Asia, the rationale being that the national *bourgeoisie* of the emerging nations of Asia was weak and suspicious and that its interests did not coincide with those of the Communists.

The great change occurred in 1954-55 with the adoption by Khrushchev and others of a more flexible approach to some of the national bourgeois movements of the Afro-Asian world. Since the latter movements fought for the liquidation of colonialism and were oriented against Western imperialism, the alliance of the Communists and the Afro-Asian bourgeois na-

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tionalists was considered useful and desirable. This opportunistic match was nevertheless to be considered temporary since the ultimate objectives of the two parties involved were irreconcilable.

In a penetrating analysis of the interaction of Arab nationalism and communism, Laqueur, who also wrote in 1956 *Communism and Nationalism in the Middle East,* concludes that "these two ideologies have been moving on different levels and have not had to clash so far" (p. 328). The Soviets consider the current phase of Arab nationalism as "progressive", but since it prevents the complete transformation of Arab society, Laqueur concludes that the conflict is inevitable and will come at the latest if and when the unification of the Arab world is achieved. Despite the last minute addition of a few pages of appendices on the most recent events in the Middle East one feels that the author did not have enough chance to rephrase his conclusions in the light of the sharp denunciations of ideological communism by Nasser and in view of the dilemma confronting the U.S.S.R. in seemingly having to support one Arab nationalist bourgeois movement against another.

Of special interest are Laqueur's view that the Soviet support of the establishment of the State of Israel may have been "approved by Stalin in a fit of absent-mindedness" (p. 147) and his emphasis on the effective psychological component of the Soviet cultural, trade and economic aid programs.

MAURICE HARARI

DARTMOUTH COLLEGE

Portuguese Africa. By JAMES DUFFY. Cambridge, Harvard University Press, 1959.—xii, 389 pp. $6.75.

Within the past decade new books have appeared dealing with virtually every part of Africa except one—Portuguese Africa. Mr. Duffy's volume admirably fills that lacuna. He provides not only a comprehensive history of Portuguese rule in Africa but a dispassionate analysis of Portuguese colonial policy today and yesterday. There is perhaps no part of the African continent concerning which popular knowlege is more scanty than Angola and Mozambique and yet none which has provoked such violent attacks and staunch defense. As between strong critics such as Basil Davidson and defenders of Portuguese rule such as F. Clement C. Edgerton, the average reader seeking an unbiased evaluation would have little to choose. Happily, Mr. Duffy's account of the present situation in Portugal's two largest

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overseas provinces steers an objective path between these two extremes.

The author traces the course of Portuguese rule from the time of the earliest contacts in the fifteenth century to the "new state" of Salazar today. The early years of Portuguese occupation along both east and west coasts were marked by a constant struggle against nature and man. The government at home cared little for the African colonies except as reservoirs of slave labor for the plantations of Brazil. In Mozambique, Portuguese rule survived at this period, according to Mr. Duffy, only through the happy circumstance of the conversion of Monomotapa, the most powerful of the African rulers of the area. Portuguese settlements languished in obscurity through a succession of corrupt and incompetent governors. When a governor whose capabilities were out of the ordinary appeared on the scene, his efforts to improve the economic and moral health of the colony were all too frequently nullified by ignorance or sabotage at home.

The turning point for Angola in particular was the abolition of slavery which, with the loss of Brazil, forced a reluctant Portuguese government to seek new riches in Africa. By this time, however, the Powers of Europe had begun to question the validity of the Portuguese claim to thousands of square miles in the interior of Africa and, in the face of international pressures, the Portuguese were fortunate to preserve the borders of their colonies as they now stand.

Portuguese colonial policy has never, according to Mr. Duffy, produced positive results, in part because of the strong inclination on the part of Portuguese governments to mistake the passing of a law for the implementation of policy and in part because of the Portuguese view of the African as a child who must be developed into a European adult. Assimilation has been part of the native policy of other European Powers in Africa, but never has it been as much a part of the colonial mystique in France as in Portugal. It is one of the paradoxes of Portuguese rule that assimilation has led to the lowering of racial barriers simply because, if it is successful, race no longer remains as a factor separating the African from the Portuguese. Yet the fact remains that, for all the pronouncements made on racial equality, the vast mass of Africans will always remain for the Portuguese as children who cannot govern themselves. The author hits at the crux of the problem when he observes: The Portuguese have never made great efforts to understand the African or his culture. . . . What the Portuguese professed to understand was only his own image of the African and his

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culture. . . . The Portuguese have found it easier to accept the African than to understand him." The façade of the overseas provinces as it is today is no more a solution to long-run Portuguese control in Africa than was the French Union for overseas France. The question today is not so much do the Portuguese accept the African but rather how long will the African accept the Portuguese?

Mr. Duffy is to be congratulated on a well-written and timely volume. The chapter on Livingstone might have been omitted since it adds little that is new. Otherwise, students of African affairs are in Mr. Duffy's debt for his scholarship and for his presentation of the facts.

L. GRAY COWAN

COLUMBIA UNIVERSITY

France: A Modern History. By ALBERT GUÉRARD. Ann Arbor, The University of Michigan Press, 1959.—xxiv, 563, xxvii pp. $8.75.

A Short History of France from Early Times to 1958. Edited by J. HAMPDEN JACKSON. New York, Cambridge University Press, 1959.—ix, 222 pp. $3.95.

Awe-inspiring as the idea may be of writing the history of the French from prehistoric times to the present day, neither one of these books is likely to inspire much awe among professional historians. In *histoire de synthèse* one must of necessity select heroic themes and develop them by ample use of generalization. One cannot mix *histoire de myopie* into such stuff.

Unfortunately both of the works before us suffer from the same ills—too much narrative about different episodes in French history and too little evidence of the great transformations in the lives of the French. The late Professor Guérard has almost nothing to say about basic economic development, about pressure groups or social alignments, or about related intellectual currents. The story which he endeavors to tell is the usual one of rulers and their reigns, interspersed with many more or less appropriate literary allusions. The work edited by Hampden Jackson consists of thumbnail statements about phases of French history which were put together in the first place as part of the four-volume *Handbook on France* prepared by the Naval Intelligence Division of the Admiralty during the last war. Although these brief utterances come from persons of high professional standing, they are so condensed as to sound like the outpourings of Donald Duck when he is in a rage or the insipid remarks of a Pollyanna. Dennis Brogan attempts, for example, to com-

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press the history of France during World War I into four pages and in doing so finds room for mentioning the Caillaux-Malvy Affair but not for calling attention to submarine warfare, the sea blockade, and American economic aid; and he has the temerity to write: "In August [1918] the British Army broke the German front, and thenceforward the end of the war was not in doubt."

The text of Professor Guérard's book is similarly charged with inadequacies. The author continually passes judgments which are highly subjective and not firmly supported by available evidence. The author regards Woodrow Wilson as the greatest handicap to the Paris Peace Conference and the person responsible for the major failures of the peace settlement. Yet the things which caused the most trouble were the very ones which the author's text says were being pushed by Clemenceau, Lloyd George and Orlando. Then toward the end of the volume Professor Guérard tosses off the present Algerian trouble with the remark that "nationalism is the emptiest shibboleth in a divided country which has never been a nation" (p. 513). For Americans familiar with their own Revolution such a doctrinaire view is little short of ludicrous.

The Hampden Jackson work contains no references for further reading; and although the Guérard volume has a bibliography, it is not one to inspire confidence. In it no mention is made of the works of Henri Sée on the economic history of France; George Lefebvre's extraordinary work on the French Revolution is not listed, although there are many references to studies by such arch-conservatives as Gaxotte, Bainville and Madelin; and in the list of works on European integration the studies by Edouard Bonnefous and François Perroux are omitted. David Thomson spells his name without a "p".

SHEPARD B. CLOUGH

COLUMBIA UNIVERSITY

Political Realism and the Crisis of World Politics: An American Approach to Foreign Policy. By KENNETH W. THOMPSON. Princeton, Princeton University Press, 1960.—ix, 261 pp. $5.00.

It is remarkable that so recent a revolution in theory of and approach to foreign relations as the one which is now known as Political Realism could already become the subject matter of historiography. Mr. Thompson, himself no mean contributor to the development of the new thought, has succeeded in summing up its emergence and its main achievements in clear and convincing fashion. Standing in the tradition of Niebuhr, he sympathetically yet never uncritically describes the ideas of the

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remarkable group of philosophers, publicists and policy planners who represent the new approach. This analysis comprises the first part of the book. Its second part traces realism, and its opposite, liberal-utopian idealism, in such American attitudes as isolationism and collective security policy, and its impact (or the impact it ought to have) on problems with which American policy has been grappling in recent years. This reviewer has yet to come across a more succinct and more lucid statement of what Political Realism implies in international affairs than the one on page 69; another page contains an excellent statement of the rôle historical precedent and analogy should play.

Several things emerge from Thompson's analysis. One, as indicated by the book's subtitle, concerns the uniqueness of the prevalence of "legalism and moralism"—against which realism rebelled—in *American* thought and practice. British attitude, as Thompson himself notices when contrasting the policy-making process in the United States with that in Britain, has always been more realistic, and one suspects that the same would emerge from a closer study of approaches to foreign affairs in other nations, for example, in those European countries which developed the concepts and policies of *raison d'état* and *Realpolitik*—not to mention the singular variety of realism which blossoms under Marxism-Leninism and finds such eloquent expression in Mr. Khrushchev's pronunciamentos. A comparative study of American and foreign attitudes toward world affairs would seem of great theoretical and practical interest.

My second point is one of emphasis. If I would take issue with Thompson it would be on this matter. In his preface he observes, "It is not a mark of popularity to carry the name political realist." Thanks to the efforts of realists like Thompson himself, this to me seems overly skeptical today. The question is of great practical importance. While Thompson and many fellow-realists are still fighting the good fight against idealist utopianism, they pound an enemy largely routed, while there is now the (in my opinion much greater) "opposite danger" of two kinds of super- or pseudo-realism emerging: the suicidal one which insists on power for power's sake (something the intellectual leaders of political realism have never done) and ends up in advocacy of preventive or "preemptive" war, or manages to sabotage any disarmament agreement however hedged with safeguards and controls; and the other kind which would sanction any kind of "deal" with utter contempt of principle.

There is indeed a chapter in this book which delves into the problems of "the limits of principle in international politics." It criticizes convincingly the impact of overgeneral and vague

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principles and ideals. But this cannot be the whole answer. Principle may involve very concrete things, such as whether, in a specific "deal", the West could afford to sacrifice specific populations to whose freedom from Communist control it has committed itself (West Berlin, for instance); or, for that matter, whether the East could afford to sacrifice "socialist achievements" in a given area of its own (East Germany comes to mind). What, in terms of such basic ideal or principle, is negotiable, and what is not? Thus we must still look not only for the "limits" but also for the *place* of principle in international politics.

Contrary to uninformed criticism, political realists have indeed always insisted on distinguishing morality from "moralism", but where, in particular, do they propose to draw the line? Which principles govern the distinction between the realm of principle and that of interest and "necessity"? While this question remains unanswered, the fact that Thompson raises it as he raises other fundamental questions makes what he has to say highly relevant for anybody who, above the hubbub of "current affairs", wants to reflect on problems that matter.

JOHN H. HERZ

THE CITY COLLEGE

The Structure of Nations and Empires. By REINHOLD NIEBUHR. New York, Charles Scribner's Sons, 1959.—xi, 306 pp. $5.00.

In the preface to his illuminating study, Reinhold Niebuhr speaks of the temptation "for a young nation suddenly flung to a position of world responsibility" to overestimate the novelty of a phenomenon such as Soviet imperialism and its link with the secular religion of communism. By a grand sweep of history, Niebuhr demonstrates that the Soviet empire-builders are only treading in the footsteps of Alexander the Great, the Roman Emperors, and their medieval successors, Christian and Islamic, whose authority over subject peoples rested not on power alone, but on the prestige they derived from their claims to ideological or religious ultimacy.

The real novelty of our era—one may infer from Niebuhr—is the position of the United States and the attitude of its people. Saddled with tremendous and inescapable responsibilities for maintaining international order in the free world, the United States has been guided by the intensely anti-imperialist liberal-democratic theory of international relations. This theory combines an emphasis on the autonomy of the nation with vague considerations concerning the "community of mankind", leaving no place for configurations of power and authority that occupy,

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as empires do, an intermediary level between the nation and the universal community. As he has done before, Niebuhr reveals and demolishes some of the illusions about the real world on which the liberal theory rests.

The history of ideas and political philosophy—fields in which he is anything but an amateur as he modestly claims—have led him to two basic hypotheses concerning the nature of empire and political order generally.

First, even in the case of the nation-state which is the integral parochial community, the price we must pay to preserve order is tremendous in terms of the injustices involved in its establishment and preservation; on the imperial level where there is far less of what Niebuhr defines as community, the degree of injustice will necessarily be greater. Yet, unless force and injustice become intolerable and lead to revolt, order is preferable to anarchy. Secondly, Niebuhr contends, though brute force and lust for dominion have played a rôle in all empire building, the religious or ideological pretensions of imperial rulers—soldiers and priests—are not to be thought of as pure fraud. The kernel of truth in these pretensions gives the rulers and ruling nations the prestige with their subjects that permits some degree of justice and some consent of the ruled to supplement or moderate the sheer dominion of the strong.

Obviously, Niebuhr is not suggesting that the United States should "acknowledge the imperial dimensions of its power" by imposing its rule on other nations, for he even demands that this country cease alienating the sympathies of other peoples by a stubborn insistence on its kind of "open society". The reader is left, therefore, with little guidance as to the rôle the United States should and would be able to assume for the sake of an order transcending its boundaries, if it discarded its liberal illusions. A clue to Niebuhr's thinking on this subject can perhaps be found in his praise of the British Commonwealth, "one of the great triumphs of the modern era", which combines the leadership of the one-time imperial power with the freedom of the member-nations.

Students of international politics who are concerned about the dangerous coincidence of ascending imperial rule in the East and hurried liquidation of empires in the West will find Niebuhr's study an invaluable source of insight and stimulation, as well as a reminder of the extraordinary impact of ideas, creeds and pretensions on the course of international affairs.

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The Question of National Defense. By OSKAR MORGENSTERN. New York, Random House, 1959.—xii, 306 pp. $3.95.

The Failure of Atomic Strategy & a New Proposal for the Defence of the West. By F. O. MIKSCHE. New York, Frederick A. Praeger, 1959.—224 pp. $4.50.

Strategy in the Missile Age. By BERNARD BRODIE. Princeton, Princeton University Press, 1959.—vi, 423 pp. $6.50.

Atomic Energy in the Soviet Union. By ARNOLD KRAMISH. Stanford, Stanford University Press, London, Oxford University Press, 1959.—x, 232 pp. $4.75.

Science and Technology in Contemporary War. By MAJOR GENERAL G. I. POKROVSKY. Translated and annotated by Raymond L. Garthoff. New York, Frederick A. Praeger, 1959. —xi, 180 pp. $4.50.

National Strategy in an Age of Revolutions. Edited by GEORGE B. DE HUSZAR. New York, Frederick A. Praeger, 1959.—xii, 282 pp. $6.00.

The bayonet, it used to be said, was such an infinitely flexible tool that it could be used for anything and everything—except to sit on. Such has been the progress of technology that science has developed weapons on which it is safe only to sit; and the problem is that humans, an intellectually restless and distrustful genus, are worried about the necessary inactivity of the nuclear age as beyond their corporate capability. This natural worry has led, as on the eve of World War I, to a considerable outburst of politico-military literature—and a spate of "solutions". Armageddon is still on its way unless. . . .

The strand which ties the books under review together—Major General Pokrovsky is the exception—is their acute pessimism. Miksche, Morgenstern, and a number of the contributors to de Huszar's collection of papers from the Fourth National Military-Industrial Conference read like Old Testament judgments on this television culture of ours. Beyond this spastic view of our moral fiber they have little in common.

F. O. Miksche, one of the more prolific and convinced of the professional military critics, and Oskar Morgenstern, Princeton University economist, are furthest apart. The reason is simple. The two begin from diametrically opposed assumptions. Miksche believes that nuclear strategy has already hit a dead end, whereas Morgenstern holds that the first priority should be

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to push nuclear strategy in that direction. Morgenstern urges a strategy which makes warfare on a nuclear scale technologically suicidal, thus politically infeasible. Miksche believes, since this day has already arrived, that the bayonet can be and should be restored to its old place in warfare along with the weaponry and organization, with modifications to be sure, of Korea and World War II. Of course, each sees the nature of the threat through the perspective of his nuclear assumptions. To Morgenstern it lies in the increasing sophistication of Soviet weaponry. To Miksche it is primarily the danger of defeat in Europe, the pressure of "Pan-Slav Communism along the Iron Curtain", together with "the threat of envelopment via the Middle East and North Africa" (p. 204). Miksche worries about political revolution, Morgenstern about technical revolution. This is unfortunate, for these appear to be precisely the areas in which each has strong prejudices without always having the technical scholarship to back them up. Each might argue that the other's reality was a figment of the imagination.

Military planning, in Morgenstern's view, is "the domain of the mathematical theory of games of strategy, which has clarified the conceptual problem of decision making, established the necessary theorems and shown the methods for selecting and computing the optimal strategies, i.e., those strategies which are the best courses of action no matter what actions the enemy may be able to undertake" (p. 164). But while mathematics can and does assist in war gaming, the real difficulty in military planning is that, like other political policies, there is a wide range of realities, many of which are contradictory, to crank into the theorems. The political validity of the "optimal strategy" to which the theorems might lead is therefore flimsy. For example, what in political history suggests the soundness of Morgenstern's basic proposition that "Wherever we succeed at least in matching and stalemating the other side, we have, with a high degree of probability, removed that particular area from becoming active"? The frequency with which those three sad little words "he knew better" crop up in military literature suggests that military policy is scarcely altogether rational.

Professor Morgenstern knows this. Occasionally he admits as much. But he believes totally in deterrence through balanced armaments as the only means by which war can be channeled into nonviolent economic and political struggle. He is worried by the strides that the USSR has been making in weapons systems. He is desperately anxious and concerned, and rightly so, with the penny-wise and pound-foolish military policy which the country has been pursuing for almost a decade. Hence he has

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written a very compelling book—with flashes of brilliant insight. But as with Henry Kissinger's *Nuclear Weapons and Foreign Policy,* and the polemics of less-distinguished writers, Professor Morgenstern's scholarship is weak. For example, while it is perfectly understandable that he should wish to devote much effort to explaining the need for mobile weapons systems, he should explain that this can be accomplished with land-based as well as sea-based weapons. His advocacy of the seaplane should at least refer to the fact that most of the experts have very little faith in it—a fact attested to by absence of support for it over the past several years in the Navy Budget. Even the "oceanic system", a weapons mix of seaplanes and nuclear submarines, in which he places great faith, may not be the invulnerable base structure which Morgenstern believes it to be. He believes too readily that the new renders the old obsolete. He subscribes too easily, on the other hand, to the myth of the perennial present. Thus he fails to give the future break-throughs sufficient weight in his theorems. The book is a curious contrast with Bernard Brodie's *Strategy in the Missile Age.*

Brodie, of the RAND Corporation, is cautious and thoughtfully restrained—as one would expect a professional scholar, and particularly a historian, in the field of military policy to be. He has devoted the first half of his book to the "Origins of Air Strategy". His findings explain the extreme caution of the second part: "New Problems and New Approaches". Part I he ends thus: "There are, however, hints about the future to be found [in the past], perhaps the most obvious and also the most important being the reminder that men's predictions about the outcome of a wholly new kind of campaign are likely to prove highly fallible" (p. 144). It is not, therefore, unexpected that he should conclude that his "is a more modest goal than that of some authors, who have not hesitated to urge specific changes in the structure, equipment, and organization of our armed forces." He goes on to add, with perhaps the slightest touch of sarcasm, "Decisions of the kind they recommend or criticize are not simple to make, but on the contrary involve hard choices between costly alternatives within the constraints of an always-limited budget" (p. 390).

The real value of Part II of this book is that it indicates just how hard decisions are to make. It leads the positivists into the maze of contrary facts and dumps them there. In a quiet, unpretentious way it is a devastating piece of work.

Frequently, a "solution" is to the Pentagon what a "slogan" is to Madison Avenue: a lodestone for suggestive statistics. Possibly *the solution* is as prevalent in other fields of policy, but

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somehow military policy seems particularly suited to extremism —possibly because so much is so difficult to prove. Hence it is a particular pleasure to welcome a book, such as Professor Brodie's, which balances possibilities, probabilities, marginal advantages and disadvantages. Active and passive defense, the meaning of strategic warning, the inviolability of the retaliatory forces and the problems attendant thereto are given a remarkably fair treatment. Two chapters, that on "The Wish for Total Solutions" and another on "Limited War", should be read by all students of foreign policy, for here, at last, the complexity of the latter and the absurdity of the former are given their due in patient language. This is certainly the first technical treatise on military policy I have seen in some years which could be seriously assigned to students of foreign policy and/or the problems of the United States government.

In the Brodie book the point is made that we are trapped by economic mythology. Professor Morgenstern makes the same point even more dramatically. He lists a whole series of self-perpetuated myths, national conceits, which have prevented the nation from recognizing reality (pp. 283 *et seq.*). Nor are these so remarkably different from those which persuaded the Trojans to adopt the Greek Horse or Louis Napoleon to declare war on the Prussians whom he "knew" to be militarily superior to the French. This is a very old tragedy.

Nothing makes the point more clearly than the fascinating account of the development of *Atomic Energy in the Soviet Union* by Arnold Kramish. In all of the literature on the Soviet Union there is none more enthralling than chapter 4, "Motivation", chapter 6, "On Keeping Informed", and chapter 18, "Attack on the Future". In these chapters two themes in particular stand out. The first is the clarity with which priorities are drawn in the Soviet Union. Second, the policy makers in the USSR have extraordinary courage in carrying them out. The term "calculated risk" has been used in this country, more frequently than not, to justify not taking courses of action. In the Soviet Union it is apparently used quite differently. For example, Kramish notes that at "the time at which this [large accelerator construction program] went into operation . . . 'it represented' . . . a diversion of men and materials during a period when such were scarce and the atomic bomb had highest development priority" (p. 200). The USSR is frighteningly uninhibited in many respects. Priorities plus determination have given the USSR a world position which will be a permanent threat; and the maddening thing about it is that, as Kramish points out, this we could and should have expected

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many years ago. As he gently notes, the relevant material was published openly. This is an important book.

It is a marked contrast to Major General Pokrovsky's *Science and Technology in Contemporary War.* In the latter the chief interest lies in the lack of sophistication in the Soviet General's thinking. Dr. Garthoff has done students of military policy a favor by translating it, and Praeger by publishing it, but it is provocative only in a negative way. Apparently the Soviets have spent more time in developing weapons, less in thinking about them. The point will be made if Pokrovsky's book is read in conjunction with the brilliant essay by the Washington Center of Foreign Policy Research, *Developments in Military Technology and Their Impact on United States Strategy and Foreign Policy* (U.S. Senate Committee Print, December 6, 1959). This study, despite certain technical errors with respect to new weapons, is essential reading.

What a group of distinguished citizens, civilian and military, think the United States ought to do about the Communist threat may be found in the collection of essays in *National Strategy in an Age of Revolutions.* But the essays tend toward the platitudinous—regrettably. Their chief interest lies in who is doing the writing rather than what is being said. The exception is a marvelously frightening and magnificently macabre piece by Frank R. Barnett on "Management's Role in Nonmilitary Defense" (pp. 175 *et seq.*). It depicts a black hour for our lethargic Republic circa 1973. Perhaps the most significant point which can be made about the collection is this: In it there are cries for action, organization, progress—but the book itself is hopelessly disparate.

* * * * *

Miksche's Soviets do not want atomic war but will fight with land troops. Morgenstern's Russians are rational enough to respect military superiority and probably nuclear equality. Is Brodie's *politburo* as sophisticated as he is? The point is that one's order of priorities flows from one's image of reality.

Suppose that one was of the opinion that the greatest danger in the world today was accidental war. Or, suppose that in one's opinion fear encouraged rather than discouraged aggression—after all very little is known about the psychology of fear. What then would be the priority in terms of policy response? Have these authors faced the real problems? What is the threat?

EDWARD L. KATZENBACH, JR.

BRANDEIS UNIVERSITY

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The Military and Industrial Revolution of Our Time. By FRITZ STERNBERG. New York, Frederick A. Praeger, 1959.—xiv, 359 pp. $5.75.

This thoughtful book deals with "the greatest military revolution of all times." Unlike the military revolutions of the past, this one is taking place with tremendous speed in peacetime and, by speeding up the application of automation and atomic energy, is transforming international relations, the processes of production, and both Western and Soviet society. The first third of the book compares the power of the United States and the Soviet Union, and discusses the expansion of the nuclear club and the problems of "small" wars. The remaining two thirds analyzes the first and second industrial revolutions. All of these problems are also discussed with respect to the underdeveloped countries, which must be aided by the West before they are lost to its enemies. In spite of a few errors of detail, Dr. Sternberg's summary is far more convincing than the usual Alsopian Jeremiad. The fact that the present reviewer found himself listing some of the questions which it does not raise is a real tribute to the author's skill in summarizing our present dilemmas.

The military sections, for example, do not consider biochemical weapons. But most military men prefer not to think about these weapons, or about the fact that it is cheaper and easier to get into the biochemical club than the nuclear club. Dr. Sternberg knows that "the famous maxim of Clausewitz that war is a continuation of politics with other means does not apply to a war fought with hydrogen bombs." War was a valid political instrument for states which *"were in a position to control not only the beginning of the war but also its further course right up to the end."* Will these maxims really apply to "small wars" with "conventional weapons" if both sides have "absolute weapons" in reserve? Subversion is a cheap and time-tested way of attaining political results. Has the temptation to use this cheap method not become a major factor in international relations? "The small scorpions *must* be prevented from ever using a nuclear sting." Israel and Egypt (neither of which is mentioned in the Index) have used force to attain their ends and have upset the peace in a vital area without becoming scorpions. Do sentences, such as "When Mao finally won the Chinese civil war he found himself with an army composed—like Tito's forces at first—largely of guerillas. But work was begun immediately to turn those loose forces into a *modern* [my italics] army," really mean what they seem to mean?

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The sections on the industrial revolutions are equally provocative. Will a "Degradation of Labour" and an "Increase of Neurosis Liability" really follow the "Introduction of the Four-Day Week and the Abolition of Poverty"? Is any state likely to prove itself "a Model Employer"? Or are these questions based on Marx's analysis of what happened in a different historical situation? What of Arthur Koestler's "generation which seems to live outside History"? If a technologically backward state, by Dr. Sternberg's showing, can paralyze the political action of one which is more advanced, why should young Americans bother about beating the Russians to the moon or worry about the prestige which is supposed to accrue to the possessor of the most efficient method of self-immolation? Is any political —that is, human—purpose served by research into more efficient weapons of mass destruction? As a colleague once remarked about the novels of the Second World War, one can only be so naked and so dead. Perhaps the state has already begun to wither away in the minds and hearts of those young persons who will eventually compose it. Perhaps the President's new commission on national goals will tell us.

THEODORE ROPP

DUKE UNIVERSITY

Economic Integration: Theoretical Assumptions and Consequences of European Integration. By ROLF SANNWALD and JACQUES STOHLER. Translated by Herman F. Karreman. Princeton, Princeton University Press, 1959.—xvi, 260 pp. $5.00.

Economic pressure, political aspirations and pragmatic calculations have largely shaped the postwar measures of regional economic integration. In Western Europe, where most of the integrating has been done, the differing membership of such groups as Benelux, the OEEC, the European Economic Community and the European Free Trade Association has been determined by considerations of this sort and not by the demonstration that in principle each comprised an optimum area for economic coöperation. Still, theory, at least in the sense of general ideas reflecting more or less abstract reasoning, has been instrumental in the process of integration. To take some elementary examples: it has been generally assumed that the reduction and eventual elimination of barriers to trade among a number of countries would be economically advantageous; a controversy has gone on about whether such measures would stimulate economic growth sufficiently to offset the cost of discriminating against the goods of outside countries; many cham-

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pions of integration have based their proposals on the view that partial measures would raise problems that could be solved only by further measures of integration. Alongside this kind of discussion has gone a process of more rigorous theoretical analysis. In political science the main emphasis has been on creating a theory of integration. In economics the emphasis has been on adapting established forms of analysis to the special problems of regionalism. This book—a slightly abridged translation of the German original published by the List Gesellschaft in 1958—makes a very useful contribution to the latter process.

The two Swiss authors support regionalism, on a number of grounds, without controverting the globalism inherent in liberal international economic theory. An important reason that Europe lags behind the United States economically is its lack of internal free trade on a continental scale, they argue. While universal free trade is the most desirable goal, "the second-best solution of a union within relatively narrow geographical limits . . . is definitely preferable to an illusive and passive waiting for a free trade regime embracing all the countries of the world" (p. 71). Integration requires more than *laissez-faire,* and the prospects for the coördination of economic policies are better in relatively small groups. "Moreover, political considerations are more important than economic ones. . . . If the preservation of the European way of life is at stake, a solution which from an economic viewpoint is only second best is preferable to a political decline while waiting hopelessly for the establishment of universal free trade" (p. 42).

With these premises the authors set out to examine the theoretical aspects of the main means of achieving, on a regional basis, "the best possible economic policy." This desideratum is defined as including full employment and optimum allocation of all resources, stability, reduction of inequalities in income and the limitation of government intervention to cases in which "there are obvious disequilibria and dislocations to be prevented or removed" (p. 43). They devote their subsequent chapters to trade questions, methods of integration (functional and institutional; partial integration; transitional problems), currency and stabilization policy, fiscal questions, and the mobility of capital and labor. What they say under each of these headings cannot well be summarized—this is not a book with a single theme but a series of careful theoretical explorations. They examine, for instance, the conditions that will minimize trade diversion in a customs union. They see a need to delegate governmental powers to a supragovernmental body if integration is to be fully effective. They emphasize the rôle of exchange rate adjust-

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ments in maintaining equilibrium in a regional group and in preventing distortions in the allocation of resources. They show the importance of the global balance of payments of each member to intraregional relations, and so on.

Not much of what they say is new, except in the refinement of some points. They rely heavily, as anyone must who writes on these issues, on the books by Viner, Meade, Tinbergen and Haberler (Scitovsky's book apparently appeared too late for them to use) and on a number of articles by others. Sannwald and Stohler do a valuable service in drawing together much of this work and setting it out systematically. The strength of their book is its range and its clarity.

WILLIAM DIEBOLD, JR.

NEW YORK, N. Y.

1859: Entering an Age of Crisis. Edited by PHILIP APPLEMAN, WILLIAM A. MADDEN, MICHAEL WOLFF. Bloomington, Indiana University Press, 1959.—320 pp. $6.75.

In the middle of the eighteenth century d'Alembert, anticipating Coleridge's belief in an invisible spirit that breathes through a whole people, reviewed the mid-century points of European civilization during the past three hundred years and found in each a revolution in the human mind. His own mid-century, he wrote, showed still another revolution: thanks to the advance of science, the true system of the world was now known and perfected; "everything" had been discussed. Had he turned to 1759 he might have marked for portents the publication of *Candide, Rasselas,* and *Tristram Shandy,* and, of course, the conquest of Quebec. What might he have said about events occurring in Western civilization in 1859! Surely not that they proved progress and perfectibility. From still another vantage point, 1959, he might have admitted that the mid-twentieth century was far too busy coping with the appalling implications of 1859 to produce comparable achievements of its own—or else, that the people of 1959 were quite as blind as those of 1859.

It would be difficult to find a year more pregnant with the future. In 1859 Darwin, Mill, Tennyson, Meredith, Fitzgerald and Marx all published epoch-marking books. Wagner finished *Tristan.* Drake sank the first oil well at Titusville. At Sheffield, Bessemer began to manufacture steel. The French launched the first armor-clad warship. The Whig historian Macaulay died, and the socialist historian Sidney Webb was born. In 1859 England was the future's proving ground.

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To set forth England's share in the events of that year more spaciously than hitherto, the three editors of *Victorian Studies* and thirteen other specialists have contributed essays to this centenary book. At first glance everything about the volume appears as it should be: the dedication, appropriately enough, to the late G. M. Young; the essayists representing a diversity of interests from English literature and history to politics, economics and industrial sociology. The essays are neatly ordered into three divisions—Science, Religion, and the Critical Mind; Patterns of National Development; The Challenge of Popular Culture—each division has an introduction, and Howard Mumford Jones writes a delightful prologue to the entire volume. The Provost of King's is at his best, writing on Victorian positivism. Importance of content and sensitive perception combine happily in essays by Messrs. Aydelotte, Haines, Madden and Sampson. Finally, the writers are careful not to turn the events of 1859 into melodrama. They show concern for some lesser events of that year.

The crisis, as Mr. Jones makes clear, came in the human mind. But the threefold division of the book tends to obscure rather than clarify the nature of the crisis, and some of the authors appear to search for it in the proverbial haystack. Still, one aspect of the crisis is evident—the approaching fate of human personality and identity. Darwin appeared to shatter the sacramental view of life. Mill feared for individuality and many-sidedness in the face of Victorian conformity. One heard Tennyson's repeated question, "What am I?", and some found reason to question even his religion of the Somehow Good. Mr. Haines in one of the most interesting essays italicizes the failure of the Victorians to adjust education to the challenge of Continental science and technology. His essay is in effect a major contribution to a crisis that needs much greater emphasis than it is given in the book. This was the crisis of power. The checks on power which had been the essence of eighteenth-century humanism were waning. The world's first oil well and armor-clad warship, power politics, the unrestrained eroticism of *Tristan*—such events were icebergs, their nether parts hidden in the tides of history; while institutions—armies, navies, weapons, parties, trade unions, business, governments and their alliances—moved on to bigness commensurate with the alarming increase of population. In 1859 humanism was emphatically a part of English politics. In 1959—out of desperate necessity—science was taking the place of humanism.

L. P. CURTIS

YALE UNIVERSITY

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Culture and Society, 1780-1950. By RAYMOND WILLIAMS. New York, Columbia University Press, 1958.—xx, 363 pp. $5.00.

According to Raymond Williams, "the idea of culture, and the word itself in its general modern uses, came into English thinking" during the Industrial Revolution. By tracing English views on culture from that time to the present, he gives "an account and an interpretation of our responses in thought and feeling to the changes in English society."

The contributors to the ideas on culture—among them Burke, Coleridge, Cobbett, J. S. Mill, Carlyle, the industrial novelists, Newman, Matthew Arnold, Ruskin, Morris, Wilde, Gissing, Shaw, T. E. Hulme, D. H. Lawrence, Tawney, T. S. Eliot, I. A. Richards, F. R. Leavis, the Marxists, and George Orwell—while starting from widely divergent viewpoints, were alike in that "they have been unable to think of society as a merely neutral area, or as an abstract regulating mechanism."

The earliest ideas on culture, Mr. Williams claims, developed in opposition to the laissez-faire society of the political economists. As the ideas on culture took shape, on the one hand, they became identified with a "whole way of life". On the other hand, based on the view apotheosized by Keats's "I have not the slightest feeling of humility toward the Public", culture became a court of appeals where *real* values could be determined. Culture, thus separated from the whole society, was associated with the idea of perfection through the study of the arts. Learning from the German idealist philosophers, Coleridge and Carlyle, and then later English thinkers, saw art as "superior reality".

Mr. Williams contrasts the ideas of "culture as art" and "culture as a whole way of life", and commends the latter. Although the idea of art as superior reality offered an important criticism of industrialism, he argues, its disturbing consequence was to isolate art—"to specialize the imaginative faculty to this one kind of activity." Arnold meets Mr. Williams' approval, since he extended culture to a general movement "developing all parts of our society", but Mr. Williams also criticizes Arnold for his abstractions.

In the twentieth century the ideas on culture took new forms. Tawney, for example, was less concerned with defending culture against industrialism than in forming a "common culture" based on the common life of mankind. "From T. S. Eliot", Mr. Williams writes, "came the re-emphasis on tradition and faith; from Leavis a rediscovery of the breadth of general emphasis which Arnold had given to culture; from the Marxists the

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application of a new total interpretation of society. From Richards . . . the theoretical attack came through the social facts of language and communication. But the judgment on which this attack was founded is a matter of the whole culture."

Mr. Williams evaluates the agents of culture—for Coleridge "the Clerisy", for Arnold "the remnant", for Leavis "a literary minority", and he personally cautions against the dangers of minority culture.

His selection of commentators on culture is excellent, but this reviewer misses a section on the Bloomsbury group; and since Mr. Williams notes that the "sense of 'culture' as 'a whole way of life' has been most marked in twentieth century anthropology and sociology," a discussion of the influence of these disciplines would be welcome.

Mr. Williams' own view is that, at present, new standards of judging culture should be used, which include "forms of skilled, intelligent, creative activity" besides the arts—such forms as a "whole range of general skills, from gardening, metal work, and carpentry to active politics." "The contempt for many of these activities," he continues, "which is always latent in the highly literate, is a mark of the observers' limits, not those of the activities themselves." He objects to the dyslogistic stereotypes of "mass man" and urges the desirability of a "common culture", based on the idea of solidarity. Some inequality, he agrees, is inevitable, for society needs variety. But what "is evil is inequality which denies the essential equality of being. Such inequality . . . rejects, depersonalizes, degrades in grading, other human beings." Equality of opportunity he finds inadequate, because "it weakens the principle of common betterment which ought to be an absolute value" and "it sweetens the poison of hierarchy . . . by offering the hierarchy of merit." The basis of a common culture, which Mr. Williams is optimistic can be obtained, must be "equality of being".

This reviewer cannot share the author's optimism, nor his ideas on what culture should encompass. "Equality of being" appears a romantic idealization, while equality of opportunity still seems to offer more promise. Nonetheless, the book is a provocative one; the inquiry was fruitful; the collection of material is useful; the interpretations at times are brilliant; and the book should definitely be read by all those interested in English intellectual history.

M. S. WILKINS

DETROIT, MICHIGAN

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Money, Class and Party: An Economic Study of Civil War and Reconstruction. By ROBERT P. SHARKEY. Baltimore, The Johns Hopkins Press, 1959.—346 pp. $5.50.

Dr. Sharkey has written a valuable revisionist study of the economic phase of Reconstruction. Struck by the contrast between the soft-money views of many Radical leaders and the claims of the "Beard-Beale" school that business interests after the Civil War, through a captive Republican party, imposed hard money on the nation, he has taken a close second look at the financial attitudes of major economic pressure groups, primarily during the years 1865-1870. He concludes—and rightly, I believe—that Beard's catch-all category of "capitalists" is far too crude to serve as a useful instrument of historical analysis. Although he neglects the influential domestic merchants and foreign traders, Sharkey does show that ironmasters, fabricators of iron products and even large groups of bankers, particularly Westerners and speculators, fought against the deflationary policies pursued by Hugh McCulloch, Johnson's Treasury Secretary.

Equally revealing is his picture of the financial attitudes of the farmer and laborer during the 1865-1870 period. Against the stereotype of the debtor yeoman clamoring for inflation Sharkey sets the reality of overwhelming agrarian indifference to financial issues in the immediate postwar years. His discussion of labor, which leans heavily on the work of Chester M. Destler, is less original, but even here Sharkey illuminates some dark corners. He traces, for example, the unlikely overlap of the currency philosophies of the industrialists and the working class to a common source: the prewar scheme of Edward Kellogg for making available to both labor and business a cheap and abundant supply of capital.

Unfortunately Sharkey's discussion of the politics of the currency problem is spotty. He unquestionably destroys the myth of general Radical support of deflation. An analysis of several key Congressional financial votes proves beyond serious doubt that Howard K. Beale, Louis Hacker and their disciples were mistaken in ascribing hard money to the Radical program. But he falters when he describes the postwar Democracy. He accepts the questionable older view of the Jacksonians as confirmed bullionists, and, in attempting to explain their "complete change of ground" after 1865, ends up fighting a phantom. As Bray Hammond demonstrated as long ago as 1947, the prewar democracy included important elements which favored state banks and an easy money policy.

Money, Class and Party is an important book which compels

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us to reëxamine some dearly held convictions regarding post-bellum America. Specifically, it raises doubts about Beard's influential Second American Revolution thesis which pictures both the war and the years that followed almost wholly as a struggle between an older agrarian interest and a rising industrial group. Yet Sharkey has accepted more of Beard than he rejects, especially Beard's economic determinism. He notes the ethical concerns of Hugh McCulloch (pp. 60, 117), and of banker James Gallatin (p. 252), but fails to pursue this lead. He frequently assumes a degree of economic calculation and sophistication on the part of business men, farmers and laborers that is hard to credit. Still, in the end, he is unduly modest about his contribution to Reconstruction historiography. He explicitly endorses the Second American Revolution thesis; his only demurrer being that it is too blunt a tool—"a meat cleaver instead of the more useful scalpel." Yet he has helped to undermine the basis of the Beardian analysis. It is difficult to see how we can continue to view the war as a victory of Northern economic forces when, on Sharkey's evidence, these groups were so loosely tied by common interests. He puts us in his debt by challenging the simple Beardian dualism that has long clouded our understanding of late nineteenth-century America.

IRWIN UNGER

LONG BEACH STATE COLLEGE

The World War and American Isolation, 1914-1917. By ERNEST R. MAY. Cambridge, Harvard University Press, 1959.—viii, 482 pp. $7.50.

Despite its title this useful book is likely to find a place on the shelf devoted to European diplomacy. Though the treatment of Wilson is thorough and thoughtful, it does not fundamentally remold the accepted interpretations. Such fresh sidelights as are cast by Mr. May come chiefly from his method of marshaling the alternatives which might have lain before the policy makers at each critical juncture. It is, however, in the many chapters devoted to German policy that this method yields its richest returns. This is the first adequate work on German policy toward America as a neutral to be based on extensive use of German archives. The author's sources and method make possible a deeper understanding of the debate on national policy which raged in Germany, a controversy which turned on a question of great interest today; namely, the proper place of military action in national strategy. Moreover the particular focus of the debate, then as now, was the problem of harnessing a new

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and potent weapon to the service of national interests. While the parallels are limited, modern students of these dilemmas will find the German experience both illuminating and depressing.

Most suggestive, perhaps, is the extent to which lack of consensus on national purposes prevented civilian leaders from establishing the well-defined aims which alone could provide standards for judging the expediency of military measures. Thus, if military leaders were unreasonable and partisan, political leaders failed to offer obvious goals to which the military could have loyally subordinated their efforts. There is also food for thought in the realization that, in Germany and Britain alike, public opinion was consistently marshaled in support of the "military" alternative at each stage of the debate.

In a work such as this which attaches much importance to public opinion and the press, the references to individual papers and to sources like the *Literary Digest* and *Enemy Press Supplement,* frequently combined in the same note, leave the reader uncertain of the extent to which the press has been explored. It is perhaps surprising to find no reference in text, notes or bibliography to the *New Republic,* a journal supposed to have caught Wilson's attention, especially in regard to neutrality. The style of the book is sometimes made awkward by the interpolation of phrases of a purple tint, and the numerous character sketches are not always integrated with the story unfolded. The case for elevating the reputation of Bethmann Hollweg is well made. But the evidence given for translating Falkenhayn, for example, from being "quiet, ascetic and energetic" (p. 95) to being "artless and impotent" (p. 277) is not convincing. Some will also think it harsh to Lloyd George to devote the final paragraph of the book to equating him with Carson, Tirpitz, Bassermann and Ludendorff. If these reservations are justified at all, however, they do not seriously detract from a generally readable and very welcome work of scholarship.

L. W. MARTIN

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Peace without Victory: Woodrow Wilson and the British Liberals. By LAURENCE W. MARTIN. New Haven, Yale University Press, 1958.—xiv, 230 pp. $4.50.

The chief contribution of this small but useful volume is the new light that it sheds on an old subject. The theme is the remarkable transatlantic interchange about a peace settlement that went on between a group of British liberals and President Woodrow Wilson from near the outbreak of the First World

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War to its end and, more specifically, the impact of liberal British peace programs and proposals upon Wilson's own emerging thoughts and purposes. Students of the First World War have known the main aspects of this subject at least since the publication of *The Intimate Papers of Colonel House*. Professor Martin has now filled in many of the missing details.

The author does not neglect President Wilson and the man through whom he maintained intimate contacts in England, Colonel Edward M. House. He has a good general chapter, for example, on Wilson's reactions to the war and on the futile efforts of the President and Colonel House at mediation before American belligerency. Even so, the author's main focus throughout is upon the group on the other side of the water and the rôle that they played.

They were a small faction composed mainly of young, idealistic leaders in the Liberal party, several of whom were members of Parliament, but also with additional support from the Independent Labour party. They acted and spoke through the Union of Democratic Control, which Ramsay MacDonald, Arthur Ponsonby, Norman Angell and Charles Trevelyan organized only a few days after the British declaration of war. Successor to prewar English peace groups, the U.D.C. went on to help lay the foundations for what would in time become the liberal peace program of the western world. Thwarted, frustrated and repelled by their own government at home, the British liberals turned to a liberal President across the seas for leadership, articulation of their program on a high level, and inspiration in what usually seemed a losing battle. The latter half of this volume is devoted to showing how all this happened and what the outcome was.

The author has produced a monograph that is, on the whole, admirably constructed and executed. Yet it does not quite satisfy on certain points or meet exacting standards of historical scholarship in one respect.

First, the author does give too much the impression that the U.D.C. group was responsible for formulating the liberal peace program that found its culmination in the Fourteen Points Address, and that President Wilson drew most of his ideas about a peace settlement from them. Such unconscious distortion came about because the author failed to see British liberal thinking in its wider context, and also perhaps because the author failed fully to understand that Wilson had his own reactions and his own thoughts about a right kind of peace settlement.

Second, the author in a final almost cryptic chapter never comes to grips with what is the most baffling question of all

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about the relations between the British liberals and President Wilson. It is why the former turned so savagely against the American leader during and immediately after the Paris Peace Conference. The conventional answers do not explain, for example, the violence and vindictiveness of *The Economic Consequences of the Peace*—not, at any rate, unless we have to conclude that the British liberals were (like so many of their contemporaries) totally incapable of facing the realities of the situation in 1919.

Third, Professor Martin has not given sufficient attention to the Labour party and its relation to British liberals and President Wilson. Henry Pelling, the Oxford historian, has discussed this matter in some detail in the *Mississippi Valley Historical Review,* XLVI (June 1959), 160-161.

Fourth, this volume has the defect of being based in its most important sections, those dealing with the liberal peace movement in England, almost exclusively upon printed sources. There is no convincing evidence that the author made any serious effort to exploit available manuscript collections in Great Britain or to uncover new ones. It seems doubtful, for example, that he really used the papers of the Labour party in London. His account of J. Howard Whitehouse's significant conversations with House and Wilson in late 1916 and early 1917 could have been much fuller if he had used Whitehouse's own records of these conversations (available in the Whitehouse Papers at the Bembridge School, Bembridge, Isle of Wight), instead of relying solely upon the House Diary. It does not seem too much to ask that American scholars working on subjects in recent Anglo-American relations make some effort to mine the rich treasures of the available manuscript collections in England.

ARTHUR S. LINK

NORTHWESTERN UNIVERSITY

The Decline of American Communism: A History of the Communist Party of the United States since 1945. By DAVID A. SHANNON. New York, Harcourt, Brace and Company, 1959. —xii, 425 pp. $7.50.

When the British suggest, as in a recent special edition of the *Times Literary Supplement,* that American scholarship tends to be painstaking and copious but uninspiring, they are thinking of books like this one. It has the merits that elicit faint praise and the deficiencies that evoke condescension in the senior common rooms of the universities. It tells an important tale thor-

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oughly in straightforward fashion. It is based on a careful examination of the materials. It is reliable. The facts about the recent attenuation of the communist movement in the United States are all present and accounted for.

But the book is composed in a style that is wholly lacking in urbanity and flair. The account is interesting because the events it describes are intrinsically interesting and not because the author has been able to bring them alive in the great narrative tradition of Parkman and Prescott. Moreover, the ratio of interpretation and analysis to exposition is extremely low. The author has not tried—much less succeeded—to place his story in an analytic context that will give it meaning, as Irving Howe and Lewis Coser did in an earlier volume—*The American Communist Party: A Critical History (1919-1957)*. The explanation of the *causes* of the party's decline—which might be thought of as the capstone of the enterprise—preoccupies the author for rather less than eight pages. Surely there is a bit more than that to say about this intriguing question.

Yet as far as it goes the book is valuable, for it confirms and documents our knowledge of some developments in recent history, and these developments merit the historian's attention. The fact of the party's pathetic collapse into impotence is itself worth underlining. In 1957-58 there were not quite 3,000 registered members, as contrasted with perhaps 85,000 in 1945. It is hard to believe that this pitiful remnant is a menace justifying the ink and oratory that are still expended on it, even in this post-McCarthy era. At the same time the book demonstrates again, for those who yet need to be convinced, that the party in its postwar heyday (1945-48) was a more influential factor in American life than most liberals were then willing to concede. It may not have threatened the foundations of the Republic, but it did play a significant and generally baleful part in the labor movement and in certain political arenas. Finally the story makes plain a fact that will never cease to astonish non-Communists: that the faithful really did believe, until Khrushchev disillusioned them, that Stalin's crimes were a figment of the counterrevolutionary imagination. The Premier's famous speech in 1956 shocked thousands of presumably case-hardened American members to the core of their beings; it, with the Hungarian tragedy, was the coup de grâce for the American party. It is always useful to be reminded that the human mind is capable of almost infinite self-deception.

These data, and others like them, furnish rich material for speculation about the nature of group life, the place of groups in American politics, and the character of the political animal.

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It is cause for regret that the author did not choose to travel some of these speculative highways. But his book should be on the shelf of anyone who does.

Incidentally, the survey of which this volume is a part was "made possible through the foresight and generous support of the Fund for the Republic" (p. viii). The Fund might well have devoted a further measure of support to publication costs, for the price is preposterously high.

ROBERT G. MCCLOSKEY
HARVARD UNIVERSITY

Political Power and the Governmental Process. By KARL LOEWENSTEIN. Chicago, University of Chicago Press, 1957.—422 pp. $6.00.

This book is based on the Walgreen Lectures, delivered at the University of Chicago in 1956. It is described as an analysis of political institutions and techniques of contemporary society from the viewpoint of political power as the core of all government. It therefore takes its place in an honorable tradition. It is regrettable that so sound a piece of scholarly work should have received less attention than it fully merits. Much of the book is concerned with the system of constitutional government and presents a novel and interesting criticism of the doctrine of division of powers. Perhaps for the same reasons Professor Loewenstein deals with all State Rights claims fairly brusquely —one would wish that he had paused longer to analyze the right of each state to representation by two senators, whether analogous to a treaty right or subject to removal by amendment. He sees the federal system as passing into the monistic or central, just as the confederate has passed into the federal. In brief his doctrine of sovereignty is rather European than that of Locke (who yet avoided the term) as deliberately interpreted by the Founding Fathers.

The whole book, however, is marked by sound scholarship and a refreshing newness of approach, as well as by a style which, despite a few neologisms such as "the power addressees", is eminently readable. There are a few peripheral errors of fact which will doubtless be remedied in another edition. What especially holds attention are such themes as that it is idle merely to discuss "the legal government", while ignoring the consideration that the Constitution cannot be isolated from or neutral to "the sociopolitical realities of the power process", including the pressure groups, often "invisible power-holders",

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that affect the daily life of the electors. The contrary proposition is escapism. It has ended in the people becoming disinterested in the endless exegesis of the Constitution. Indeed Professor Loewenstein aims his shaft with some effect at the European constitutions of the twenties, "written in many instances by dogmatic law professors impervious to the lessons of political science." "Institutions are the organizational arrangements for the performance of the functions assigned to them." Such is the author's conceptual framework, and it is an excellent one.

However, for some reason, not too clearly apparent, Professor Loewenstein, instead of filling in the main lines of this framework of polity, chooses to say (correctly) that "every state is a political system" but to imply (less correctly) that every political system of control, whatever its function, must be a state or within it. How phenomena stretching from the Common Market to the Catholic Church and the Communist party are to be classified is not clear. "The national state is the predominant or, in certain historical cases, the exclusive organization." We are back with Treitschke. "Politics is nothing else than the struggle for power" (by domination?). For once—although not often—Professor Loewenstein is conventional. The work of Lasswell scarcely receives mention. Instead he refers us to derivative writers such as Bertrand Russell (who Charles Merriam, rightly or wrongly, profoundly believed was not guiltless of plagiarism). In conclusion we are told of a science of "cratology"; but Professor Loewenstein adds that we are "unable to define the substance" of power. If we are to talk about it at length, this seems a pity. I am, of course, aware that some German writers have developed, in my view unhelpfully, a species of *mystique* on this matter. In a recent book *The Study of Politics,* Professor Charles Hyneman has given us other, and more valuable, clues.

GEORGE E. GORDON CATLIN

McGILL UNIVERSITY, MONTREAL

Central Administration in Britain. By W. J. M. MACKENZIE and J. W. GROVE. London, New York, Toronto, Longmans, Green and Company, 1959.—xvi, 487 pp. 30*s.*; $6.00.

Possibly to the surprise and undoubtedly to the delight of its readers, this book does not fit the stereotyped pattern of attempted textbook catalogues and artificially balanced piles of information. Although the authors manage to explore every

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nook and cranny of the administrative edifice—all the official definitions, regulations and procedures are here—they do not sacrifice a sense of form, a graceful style and their good judgment. Indeed they are too cautious in stating that their work "has no special claim to originality except that this particular body of knowledge has never been surveyed and presented in a unified way before" (p. v). It is a unique text that views central administration as a "world" that has "ethos and identity".

Their approach allows the authors to encompass both the formal tasks and the human circumstances of administration. "In a sense the whole of this book is concerned with the general conditions of work in the Civil Service" (p. 44). The organic quality of administration becomes obvious. Public management reflects the life of the society. The solutions to problems are conditioned and limited by the perspectives of the people involved and by the times in which they live. In escorting us along the paths of constitutional and administrative usage that give substance to the organizational rules, the authors offer a picture of the life of central administration, as well as an encyclopedia for scholars and practitioners and a handbook for civil servants.

Recognizing that virtually any commentary on a work of great scope may often mirror the biases of the particular reviewer, rather than the interests of the general reader, several aspects of the book stand out. The authors demonstrate a concern and an intimate acquaintance with the unofficial (and often crucial) connections between private activities and the public relationships. The Treasury "retains a certain atmosphere of intimacy and informality, of casual rather than bureaucratic efficiency" (p. 316). "The highest type of British civil servant is a secretary, rather than a manager. The Service includes many very able managers, but unless they have a sense of politics they are not safe advisers to a Minister" (p. 380). What's more, the authors are willing to draw politically significant conclusions. "Economic planning in Britain depends largely on the structure and functions of the Treasury . . . the administrative aspects of central planning in time of peace are only intelligible in relation to the annual cycle of financial business" (p. 317). ". . . the character of the House of Commons affects the character of central administration: . . . it brings to the top men who are capable of understanding politics without becoming party politicians" (p. 380).

Perhaps the most rewarding chapter deals with the administrative functions of the Cabinet. The authors provide firm support for theories of complementary development of admin-

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istrative, political and constitutional transformation. For instance, we note that "the art of drafting papers for the Cabinet and its Committees has replaced the art of minute-writing . . . . Policy is quite often 'secreted in the interstices' of discussion between Ministers and civil servants about the drafting of Cabinet papers. The practice of careful preparation means that Cabinet business is now almost formal" (p. 339).

Teachers of administration will probably thank the authors for refusing to shun controversy. A few examples must suffice. Measures to insure political security "seem to the outside observer to be somewhat out of proportion to the disease" (p. 155). The Cabinet finds that its rôle in "planning" is "to encourage individual Ministers and officials who seek to act as directors and planners" (p. 336). ". . . there is no evidence that the Overlords worked badly as an administrative device" (p. 346).

At several points, however, readers may discover apparently inexplicable shortcomings. The authors assert that the principles of "line and staff" are foreign to British public administration, yet nowhere do they explain why. It would have been interesting to delve into the reasons for this situation, for, as the authors recognize, the conception is accepted in many other countries and has powerful adherents in Britain. In addition the discussion of the machinery and practice of interdepartmental consultation seems a bit thin, particularly since it is regarded as a significant development in administration. But these criticisms at best represent only minor blemishes on a monumental achievement. This is a "definitive work" that will be read, as well as consulted.

HARVEY GLICKMAN

PRINCETON UNIVERSITY

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BOOK NOTES

The seven essays in *Theoretical Aspects of International Relations,* edited by William T. R. Fox (Notre Dame, University of Notre Dame Press, 1959; xii, 118 pp. $3.25), were presented to a seminar at Columbia University in 1957 following a smaller seminar in which most of the writers participated at Princeton in 1954. They do not purport to present a theory of international relations. Instead, each author comments from his own point of view and in doing so, as the editor observes in his preface, demonstrates "the lack of an agreed framework of theoretical inquiry." Paul Nitze and William T. R. Fox write from a pragmatic point of view. They assume that theory should be useful to the decision-maker by helping him to choose rationally among the alternatives which he can think up in a given situation. In contrast to Nitze and Fox, Hans J. Morgenthau and Kenneth N. Waltz treat the theory of international politics as no different from general political theory and concern themselves with desirable norms rather than with verifiable and useful concepts. Charles P. Kindleberger, seeking analogies from international economic theory, goes further than any of the other writers in proposing the outlines of a theory of international politics. As international economics differs in kind from national economics because the nation is sufficiently integrated to constitute an actor on the scene, so there "is a difference in kind between national and international politics". The two concluding articles by Arnold Wolfers and Reinhold Niebuhr deal less with the construction of theory than with the determination of its actors and its application. Wolfers asks, to what extent do regional and general international organizations, individuals and corporate bodies exert influence in the field of international politics?—thus modifying the traditional "states-as-the-sole-actors" approach—a question also considered by Kindleberger. Niebuhr makes an interesting analysis of the relation of power to ideology, more relevant to internal than to international politics, and presents reasons for the increasing successes of the communist ideology in Asia and Africa. Finally, he offers advice to Western statesmen on how they might win the cold war which, in the "colored continents" at least, he considers an ideological struggle. It is to be hoped that the many suggestions in these essays will contribute to the development of a theory of international relations useful to the increasing

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number of academic departments, scholarly journals, and researches devoted to the subject, as well as to those who inform and educate the people, and to the decision-makers of both national governments and international organizations.—QUINCY WRIGHT, University of Virginia.

A candidate once appeared before a professor at the University of London and was asked: "Is Hobbes fundamentally an individualist or fundamentally a collectivist?" "Well, sir, in a sense he was an individualist, and in a sense he was a collectivist." "Quite right, my boy. I've always taken that view myself." Professor Charles S. Hyneman's book, *The Study of Politics: The Present State of American Political Science* (Urbana, University of Illinois Press, 1959; xi, 232 pp. $4.50), has this same either profound or elusive quality. It is an essay, he says, addressed to graduate students "to tell young men and women some things it may be good to know about the profession they intend to enter." The first thing they should know is that "political scientists throughout the country are unhappy about the state of their discipline." This unhappiness (oddly assumed in itself to be a *bad* thing) arises from four sources of "doubt and fear": (1) fear that too many activities are engaged in which are irrelevant or even damaging to scholarly work; (2) fear that too great a task has been set for one scholarly discipline; (3) doubt that political science compares well with other learned disciplines; and (4) doubt that political science is sufficiently related to the other social sciences. Now these doubts and fears are well stated and well reported as being actual opinions, even if, of themselves, a curious mixture of problems of the mind with problems of the status of a profession (after all, there may be some bad scouts that care for the first but not for the second). But instead of examining specific bodies of work, specific landmarks of investigation into politics, the author proceeds to offer "an imagined indictment and an imagined response" to these fears, doubts or charges. This is a curious procedure. For, contrary to European belief, recent American political science has been intensely introspective. The star of Hamlet has rivaled the ascendancy of Fortinbras. There are quite as many investigations into how to investigate as actual forays into the field. Some of this writing must, after all, have some merit; so it is odd to deal in "imaginative responses" when there are so many actual ones. Glancing references to a quite uncritical bibliography are simply not good enough to do justice to the reflective writings of serious colleagues. Besides, the "imaginative responses", being on a banal level, seem more those *of* beginning

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graduate students than those fit *for* them: "I have heard a number of political scientists say in effect: . . . Machiavelli introduced some keen observation and hard common sense . . . but you can find more stuff and better stuff of his kind in any good daily newspaper . . . ; I have heard one man say, 'The classics are rich with hypotheses ripe for verification or disproof,' and heard another man retort, 'Show me a couple' ", etc. Most of the book relates equally homely arguments about the utility of political theory and equally homely "caféteriana" about the nature of science.—BERNARD CRICK, London School of Economics and Political Science.

How to divide power in a country between the central government and the areas or regions into which it is or should be divided is a perennial problem, toward the understanding of which *Area and Power: A Theory of Local Government* (Glencoe, Illinois, The Free Press, 1959; 224 pp. $5.00) edited by Arthur Maass makes an important contribution. The book is a collection of essays which, in spite of the variety of topics studied by the authors, is remarkably well integrated. The editor, in the opening essay, draws the distinction between what he calls the capital division of powers—the division between governmental officials and bodies of officials at the capital city of a defined political community—and the division of powers among areas which exist or can be created within the political community, and this he calls the areal division of powers. Moreover power can be divided, whether at the capital or by area according to process, function, or constituency (p. 10). The "basic values of the modern democratic state" which should govern the division of powers within the state are liberty, equality and welfare (p. 9). With these preliminaries set out, the authors proceed to discuss the subject. Paul Ylvisaker has a stimulating essay on the criteria for a "proper" areal division of powers. There are three interesting essays of "applied areal analysis"—Robert C. Wood discusses metropolitan areas, York Willbern, the position of the states in the American union, and J. Stefan Dupré, the Canadian case. There are two acute and scholarly essays on the areal division of powers in political thought—Stanley Hoffmann on certain French political thinkers and Samuel P. Huntington on the Founding Fathers. And not least valuable is an appendix in which is printed a paper by H. G. Wells on administrative areas read before the Fabian Society, published in 1903 and still up-to-date. All who are interested in federalism or in local government will find much that is fresh and profound in these essays, and not least in the discussion of

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the position of the states which, as Mr. Ylvisaker says, constitute that "'middle tier' which chronically seem to suffer in comparison with local and central governments" (p. 36).—K. C. WHEARE, Exeter College, Oxford, England.

"Europe", *The Economist* wrote recently, "is crowded with ghosts of international organizations, born of good intentions, never nourished with political resolve. . . ." The excellent Report—*European Organisations, 1959* (London, George Allen and Unwin Ltd., Fair Lawn, New Jersey, Essential Books, 1959; xvi, 372 pp. $5.40)—prepared by a Research Group of Political and Economic Planning (PEP), an independent nonparty organization engaged in building a bridge between research and policy-making, is unusually successful in bringing down to earth the eerie and elusive European institutions. Of the forty-eight alphabetical agencies (not all of them, however, European organizations) listed in the glossary, the Report wisely deals with only eight: Economic Commisison for Europe (ECE), Organization for European Economic Co-operation (OEEC), Council of Europe, North Atlantic Treaty Organization (NATO), Western European Union (WEU), European Coal and Steel Community (ECSC), European Economic Community (EEC), and European Atomic Energy Community (Euratom). In each case the Report presents a succinct account of the origin and structure of the organization in question and examines its achievements as well as its failures and weaknesses. A brief but well-balanced introductory chapter outlines the background of European coöperation since the Second World War. The volume ends with a recapitulation of the main findings and illuminating conclusions bearing on the future of European organizations and Great Britain's attitude toward them. The study is objective, compact, well organized, carefully thought out, and clearly written. It draws a sharp distinction between the supranational and the intergovernmental approach to integration symbolized, respectively, by the institutional patterns of ECSC and OEEC. The record of achievement of the European organizations is uneven. The authors of the Report argue that "those organizations which met a real economic or military need have tended to flourish; those whose efforts were directed primarily towards greater political unity have achieved relatively little. The most successful organizations, in short, are those which represent an existing and recognized common interest in a sphere which can be easily defined." The policy of the British governments, both Labour and Conservative, toward European integration "has

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been cautious and consistent." London has favored moves based on intergovernmental action but has firmly rejected the aim of political federation and proposals involving the acceptance of supranational authority. This policy has not changed and it is difficult to see how it could be reconciled with the objectives and methods of The Six. At a vital juncture of its history the West is faced with a tragic dilemma of its own making, the solution of which is not in sight.—MICHAEL T. FLORINSKY, Columbia University.

In *Conviction,* edited by Norman MacKenzie (New York, Monthly Review Press, 1959; 237 pp. $4.00), twelve British intellectuals, all under forty, offer their several socialist responses to the newly comfortable circumstances in which only socialism apparently has ceased to prosper. All seem temperamentally if not programmatically to the left of Labour party leaders. This sign of moderate Left-wing vitality appeared, it is true, before the 1959 election; the essays were originally published in London in 1958. However, even if presently out of the mainstream of the British electorate, there is little doubt that the desire for a renewed "socialist purpose" remains alive among an interesting and able group clustered about the *New Statesman.* Some Americans, no doubt, will be charmed by this volume of evidence that the old faith is still alive. Occasionally there is some vagueness in the essays about socialist ideas which will be politically as well as intellectually appealing. Nationalization is neither emphasized nor discarded. One author regards it as a necessary first step toward more public control of industrial property, and another argues for a work relationship that is more creative and democratic. Two essays are explicitly and most informatively devoted to the cause of qualitative improvements in the welfare services, especially for the submerged fifth of the population. Two others are interested in a "socialist foreign policy" or a "socialist pacifism", and another in the intelligent recognition of the validity of colonial nationalism. The most interesting ideas, if not the most relevant politically for a socialist movement oriented to economic issues, are those of several cultural and social critics of the British class system. The enemy consists of the social barriers which have remained as economic barriers between classes have been lowered. Indeed an opinion runs through this book that the British class system may be stronger than ever despite the enforced socialization of war and postwar years. Besides dealing with this apparent situation, as do two of the authors, by the general advocacy of a good common culture, one essayist is prepared specifically for

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the admittedly difficult course of abolishing the institutional framework—such as Lords, monarchy, privately controlled "public" schools, and the army's regimental system—which he believes sustains the British class system.—LEON D. EPSTEIN, University of Wisconsin.

Broadly speaking, the Reformation of the Church of England was accomplished in two stages, separated from each other by more than two centuries. Constitutional revolution and doctrinal reform took place in Tudor England; administrative and financial reform was delayed until the early years of the nineteenth century. The repeal of the Test and Corporation Acts in 1828 and the passage of the bill for Roman Catholic Emancipation in 1829 exposed the Established Church to attack from reform forces on all sides. The outcry was loud against the abuses of nonresidence, pluralities, sinecure canonries, and the financial inequities that helped to perpetuate them. Disestablishment and the disposition of the Church's property by Parliament in the public interest seemed inevitable. Thus Dr. Thomas Arnold wrote to a friend: "The Church as it stands no human power can save; my fear is, that, if we do not mind, we shall come to the American fashion, and have no provision made for the teaching of Christianity at all." Charles Smyth once wrote, "So far as any human power did save the Church of England, it was saved not by Mr. Keble, but by Sir Robert Peel". Miss Olive J. Brose's admirable and well-documented story of the work of Peel and Charles James Blomfield, the Bishop of London—*Church and Parliament: The Reshaping of the Church of England, 1828-1860* (Stanford, Stanford University Press, London, Oxford University Press, 1959; vii, 239 pp. $5.00)—is a significant addition to the studies of church-state relations in England. The work of the Ecclesiastical Commission is examined in great detail, and Miss Brose presents a far fuller picture of the reshaping of the Established Church than has been hitherto easily available. Nearly forty years ago W. L. Mathieson in *English Church Reform 1815-1840* presented the events in their broad outlines; Miss Brose has now filled in the picture in considerable detail. For those who are unfamiliar with the critical reform years during which the abuses and anachronisms of the Tudor Establishment were finally cut away from the life of the Church of England, a quick reading of J. W. C. Wand's *The Second Reform* (London, 1953) will provide an excellent introduction to Miss Brose's technical and scholarly study.—POWEL MILLS DAWLEY, General Theological Seminary.

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The First Professional Revolutionist: Filippo Michele Buonarroti (1761-1837) by Elizabeth L. Eisenstein (Cambridge, Harvard University Press, 1959; x, 205 pp. $4.50) reëxamines the career of a man who devoted his life to revolution and concludes that, while Buonarroti's influence was too frequently underestimated by historians of the nineteenth and early twentieth century, the recent revival of interest in his life has tended to overemphasize his importance. This book is not a biography drawn from research in original sources; it is an interpretive essay based on published accounts which analyzes the influence of ideas and events upon Buonarroti himself and, in turn, evaluates his impact primarily upon the secret societies in France and Italy after the Napoleonic period. It is a book for scholars rather than students since it presupposes considerable knowledge of such events as the Babeuf plot, of major figures such as Rousseau and Robespierre as well as many less well-known ones, and of the complexity of clandestine organizations all hoping to continue the revolution. It is somewhat polemical inasmuch as the author wants to refute or to correct earlier interpretations of Buonarroti, particularly those offered by some Italians. Naturally such an approach is going to be provocative, for the deliberate introduction of controversy invites the reader to take sides. This reviewer would challenge the author's acceptance of Buonarroti's claim that he was a Robespierrist and not a Babouvist. It was understandable that he should attach himself to the myth that developed about Robespierre during the July Monarchy but the myth as well as Buonarroti's assistance to its growth tended to obliterate the tremendous gap between Robespierre and Babeuf with regard to property ownership. Whether Buonarroti saw it or not, the *bonheur commun* of the egalitarian Utopia differs significantly in its property basis from the Mountain's "greengrocer's paradise"—the apt phrase used by Crane Brinton. More helpfully, this welcome book stresses the unique rôle of the man who makes a career of revolution and shows how such a career was possible after the upheaval in France in 1789. Scholars will also find great benefits in the fine Biographical Essay which discusses the relationship between the enthusiasm for Buonarroti among Italian historians and political developments in Italy—the reaction to Fascism, the renewed interest since the war in the French Revolution and the Jacobin contribution to Italian nationalism, the desire to link Buonarroti with the Risorgimento, and the determination of Communist historians to find a native son as a predecessor.—LOUISE DALBY, Barnard College.

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SAMUEL McCUNE LINDSAY

The Editors of the POLITICAL SCIENCE QUARTERLY with great sorrow record the death of their colleague, Samuel McCune Lindsay, on November 11, 1959, at the age of 90.

Thus ended a long career which was closely intertwined with the Academy of Political Science, with the University of Pennsylvania and with Columbia University. It was a career that combined scholarship with teaching, administration and public service. After his graduation from Pennsylvania in 1889, Professor Lindsay took his Ph.D. in Economics at Halle, Germany, in 1892. Thereafter he returned to Pennsylvania to teach sociology for the next fifteen years. During those years, his eventual career focus began to appear in such articles as those on "Social Work at the Krupp Foundries" (1892) and "Distribution of Pauperism in the United States" (1895); and a book on *Social Aspects of Philadelphia Relief Work* (1896).

It was natural for a pupil of Simon N. Patten to be interested in social problems and in the amelioration of social conditions. As one of Lindsay's students has written, "During a long and significant career . . . [Lindsay] voiced again and again the social conscience of the community in matters of Child Labor, Protective Legislation for Women, Workmen's Compensation, and Minimum Wage Legislation."

In 1907 Professor Lindsay moved to New York as professor at Columbia and Director of the New York School of Philanthropy (now the New York School of Social Work). At the School of Philanthropy he also taught a course entitled "Social Reformers in the Nineteenth Century".

From 1910 to 1930 Samuel McCune Lindsay served as the President of the Academy of Political Science. These were years of great growth in the Academy. Its membership increased from 1,018 in 1910 to 7,103 at the time of Professor Lindsay's resignation in January 1930. When he began his presidency that membership was confined largely to the New York Metropolitan area. Before he resigned, in the words of the Directors' Minute of Thanks, it was "representative of every state and territory of the United States and of no fewer than sixty-one foreign countries." Professor Lindsay, as was said by one of his associates, "made the Academy one of the significant forums for public education and social advance." It is no wonder that he called his presidency "the happiest experience of my life."

During the years prior to Professor Lindsay's coming to Columbia, he began his long service in government agencies.

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This was to extend from the administration of McKinley to and beyond that of Woodrow Wilson, both on the national and state level. For instance, in 1899-1900 he reported to the United States Industrial Commission on railroad labor. In 1902-1904 he was Commissioner of Education for Puerto Rico. In 1904, he became, first, secretary, then chairman, of the National Child Labor Committee that was influential in the passage of the subsequent Federal Child Labor Act. He was chairman of the American Committee on the International Labor Office, started in the early 1930's and ultimately responsible in some substantial degree for American official affiliation with the ILO in the middle 1930's.

Professor Lindsay's students were impressed by his personal warmth and sense of responsibility. They found him generous in sharing his knowledge and the research and study materials in his possession. They were grateful for the patient guidance he gave to their scholarly efforts. Let the last word be with one of those students: "He was a wise counsellor and a loving friend who enriched the lives of all with whom he came in contact."

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